

**SUNITA TOOLS LIMITED**

Corporate Identity Number is U29220MH1988PLC045850

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Survey No. 66, Plot No. A, Valiv, Satalivali Road, Vasai East, Palghar, Thane 401208	Rupal Dedhia Company Secretary and Compliance Officer	Email: <a href="mailto:info@sunitatools.com">info@sunitatools.com</a> Telephone: +91 9136019995	<a href="http://www.sunitatools.com">www.sunitatools.com</a>

**THE PROMOTERS OF OUR COMPANY**

Sangeeta Pandey, Sanjay Kumar Pandey, Satish Kumar Pandey and Ragini Pandey

**DETAILS OF ISSUE**

TYPE	FRESH ISSUE SIZE (IN LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY 229(1) / 229(2) & SHARE RESERVATION AMONG NII & RII
Fresh Issue and OFS	Fresh Issue of Upto 13,20,000 Equity Shares aggregating [●] Lakhs	Offer For Sale of Upto 2,00,400 Equity Shares aggregating [●] Lakhs	Total Issue of Up to 15,20,400 Equity Shares aggregating [●] Lakhs	The Issue is being made pursuant to Regulation 229(1) of SEBI ICDR Regulations. As the Company's post issue face value capital does not exceed ₹10.00 Crores

**DETAILS OF OFFER FOR SALE BY THE SELLING SHAREHOLDERS**

NAME OF SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT	AVERAGE COST OF ACQUISITION ON FULLY DILUTED BASIS* (IN ₹ PER EQUITY SHARE)
Sanjay Kumar Pandey	Promoter	Up to 66,800 Equity Shares aggregating ₹ [●] Lakhs	10
Satish Kumar Pandey	Promoter	Up to 66,800 Equity Shares aggregating ₹ [●] Lakhs	10
Ragini Pandey	Promoter	Up to 66,800 Equity Shares aggregating ₹ [●] Lakhs	10

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company and the Selling Shareholders in consultation with the Lead Manager) as stated under "Basis of Issue Price" beginning on page no. 67 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investment 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 Draft Prospectus. Specific attention of the investors is invited to "Risk Factors" beginning on page no. 22 of this Draft Prospectus.

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

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders accepts responsibility for and confirms that the statements made or confirmed such Selling Shareholders in this Draft Prospectus to the extent of information about himself as a Selling Shareholders and in the context of the Offer for Sale. The Selling Shareholders further assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

**LISTING**

The Equity Shares Issued through this Draft Prospectus is proposed to be listed on the SME Platform of BSE Limited ("BSE"). Our Company has received an in-principle approval letter dated [●] from BSE for using its name in this issue document for listing our shares on the SME Platform of the BSE Limited. For the purpose of this Issue, the Designated Stock Exchange will be BSE Limited ("BSE").

**LEAD MANAGER TO THE ISSUE**

**ARYAMAN FINANCIAL SERVICES LIMITED**  
60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg  
Fort, Mumbai – 400 001  
Tel No.: +91 22 6216 6999  
Email: [ipo@afsl.co.in](mailto:ipo@afsl.co.in)  
Website: [www.afsl.co.in](http://www.afsl.co.in)  
Investor Grievance Email: [feedback@afsl.co.in](mailto:feedback@afsl.co.in)  
Contact Person: Vatsal Ganatra/ Rocky Shyamal  
SEBI Registration No. INM000011344

**REGISTRAR TO THE ISSUE**

**KFIN TECHNOLOGIES LIMITED**  
Selenium Tower-B, Plot 31 & 32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad – 500 032, Telangana  
Tel No.: +91 40 6716 2222  
Email: [cpl.ipo@kfintech.com](mailto:cpl.ipo@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)  
Investor Grievance Email: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Contact Person: M. Murali Krishna  
SEBI Registration No.: INR000000221

**ISSUE OPENS ON**

[●]

**ISSUE CLOSSES ON**

[●]

**SUNITA TOOLS LIMITED**

Our Company was incorporated as Sunita Tools Private Limited on January 12, 1988 under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration number 045850. The status of the Company was changed to public limited and the name of our Company was changed to Sunita Tools Limited vide Special Resolution dated April 12, 2023. The fresh certificate of incorporation consequent to conversion was issued on April 28, 2023 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U29220MH1988PLC045850. For further details, please refer to the chapter “History and Certain Corporate Matters” beginning on page no. 103 of this Draft Prospectus.

**Registered Office:** Survey No. 66, Plot No. A, Valiv, Sativali Road, Vasai East, Palghar, Thane 401208

**Tel No.:** +91 9136019995; **Email:** [info@sunitatools.com](mailto:info@sunitatools.com); **Website:** [www.sunitatools.com](http://www.sunitatools.com)

**Contact Person:** Rupal Dedhia, Company Secretary and Compliance Officer.

**Our Promoters:** Sangeeta Pandey, Sanjay Kumar Pandey, Satish Kumar Pandey and Ragini Pandey

**THE ISSUE**

**INITIAL PUBLIC OFFER OF UP TO 15,20,400 EQUITY SHARES OF ₹ 10 EACH (“EQUITY SHARES”) OF SUNITA TOOLS LIMITED (“STL” OR THE “COMPANY”) FOR CASH AT A PRICE OF ₹ [●] PER SHARE (THE “ISSUE PRICE”), AGGREGATING TO ₹ [●] LAKHS (“THE ISSUE”), CONSISTING OF FRESH ISSUE OF UP TO 13,20,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS AND AN OFFER FOR SALE OF UP TO 2,00,400 EQUITY SHARES COMPRISING OF UP TO 66,800 BY SANJAY KUMAR PANDEY, UP TO 66,800 BY SATISH KUMAR PANDEY AND UP TO 66,800 BY RAGINI PANDEY (“THE PROMOTERS SELLING SHAREHOLDERS” OR “THE SELLING SHAREHOLDERS”) AGGREGATING TO ₹ [●] LAKHS (“OFFER FOR SALE”), OF WHICH UP TO 78,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY AGGREGATING MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THAN THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF UP TO 14,42,400 EQUITY SHARES OF ₹10 EACH IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.03% AND 25.64% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹ 10 AND THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE**

In terms of Rule 19(2)(b)(i) of the SCRR this Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. This Issue is being made through Fixed Price process in accordance and compliance with Chapter IX and other applicable provisions of SEBI ICDR Regulations wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including corporate bodies or institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price. Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. For further details please refer the section titled “Issue Information” beginning on page no.181 of this Draft Prospectus.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of the respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page no. 191 of this Draft Prospectus. A copy will be filed with the Registrar of Companies as required under Section 26 and Section 28 of the Companies Act, 2013.

**RISK IN RELATION TO THE FIRST ISSUE**

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**LEAD MANAGER TO THE ISSUE**

**ARYAMAN FINANCIAL SERVICES LIMITED**  
60, Khatau Building, Ground Floor, Alkesh Dinesh Modi Marg  
Fort, Mumbai – 400 001  
**Tel No.:** +91 22 6216 6999  
**Email:** [ipo@afsl.co.in](mailto:ipo@afsl.co.in)  
**Website:** [www.afsl.co.in](http://www.afsl.co.in)  
**Investor Grievance Email:** [feedback@afsl.co.in](mailto:feedback@afsl.co.in)  
**Contact Person:** Vatsal Ganatra/ Rocky Shyamal  
**SEBI Registration No.** INM000011344

**REGISTRAR TO THE ISSUE**

**KFIN TECHNOLOGIES LIMITED**  
Selenium Tower-B, Plot 31 & 32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad – 500 032, Telangana  
**Tel No.:** +91 40 6716 2222  
**Email:** [cpl.ipo@kfintech.com](mailto:cpl.ipo@kfintech.com)  
**Website:** [www.kfintech.com](http://www.kfintech.com)  
**Investor Grievance Email:** [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)  
**Contact Person:** M. Murali Krishna  
**SEBI Registration No.:** INR000000221

**ISSUE OPENS ON**

[●]

**ISSUE CLOSES ON**

[●]

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Prospectus but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the following definitions shall prevail.

#### General Terms

Term	Description
Sunita Tools Limited / STL / The Company / The Issuer / We / Us / Our Company	Unless the context otherwise indicates or implies refers to Sunita Tools Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 with its registered office in the Mumbai.
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company.
“you”, “your”, or “yours”	Prospective Investor in this issue

#### Company Related Terms

Term	Description
AoA/ Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of Sunita Tools Limited.
Audit Committee	The committee of the Board of Directors constituted on June 17, 2023 in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in “ <i>Our Management</i> ” on page no. 106 of this Draft Prospectus.
Board of Directors / Board	The Board of Directors of Sunita Tools Limited, including all duly constituted Committees thereof.
Chairman / Chairperson	The Chairman / Chairperson of Board of Directors of our Company being Sanjay Kumar Pandey
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company is Satish Kumar Pandey
Company Secretary and Compliance Officer	The Company Secretary and Compliance officer of our Company is Rupali Dedhia
Corporate Identification Number/ CIN	U29220MH1988PLC045850
Director(s)/ Our Directors	Director(s) of Sunita Tools Limited, unless otherwise specified.
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company.
Equity Shares	Equity Shares of our Company of Face Value of 10 each unless otherwise specified in the context thereof.
Equity Shareholders / Shareholders	Persons holding Equity Share of our Company
Group Companies	In terms of SEBI ICDR Regulations, the term — <i>Group Companies</i> includes companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and any other companies as considered material by our Board, in accordance with the Materiality Policy, as described in — <i>Our Group Companies</i> on page no. 125 of this Draft Prospectus.
Independent Director(s)	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer chapter titled “ <i>Our Management</i> ” beginning on

Term	Description
	page no. 106 of this Draft Prospectus
ISIN	International Securities Identification Number. In this case being INE0Q1S01010.
Key Management Personnel / KMP	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI (ICDR) Regulations, together with the Key Managerial Personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” on page no. 106 of this Draft Prospectus.
Materiality Policy	The policy adopted by our Board for identification of Group Company, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations.
MD or Managing Director	The Managing Director of our Company being Satish Kumar Pandey
MOA / 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 17, 2023 in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” on page no. 106 of this Draft Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director
Promoter(s) / Core Promoter	<ul style="list-style-type: none"> <li>• Sangeeta Pandey</li> <li>• Sanjay Kumar Pandey</li> <li>• Satish Kumar Pandey</li> <li>• Ragini Pandey</li> </ul>
Promoters Group	Such persons, entities and companies constituting our promoters group pursuant to Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “ <i>Our Promoters and Promoters Group</i> ” on page no. 120 of this Draft Prospectus
Registered Office	The Registered Office of our Company which is Survey No. 66, Plot No. A, Valiv, Satali Road, Vasai East, Palghar, Thane 401208.
Registrar of Companies / RoC	Registrar of Companies, Mumbai situated at 100, Everest, Marine Drive, Mumbai – 400002.
Restated Financial Statements	The Restated Financial Statements of our Company for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, which comprises of the Restated Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, Indian GAAP, and restated in accordance with the SEBI ICDR Regulations.
Selling Shareholders/ Promoter Selling Shareholders	<ul style="list-style-type: none"> <li>• Sanjay Kumar Pandey</li> <li>• Satish Kumar Pandey</li> <li>• Ragini Pandey</li> </ul>
Stakeholders’ Relationship Committee	The stakeholder’s relationship committee of our Company, constituted on dated June 17, 2023 in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, the details of which are provided in “ <i>Our Management</i> ” on page no. 106 on this Draft Prospectus.
Shareholders	Shareholders of our Company
Statutory Auditors	The statutory auditors of our Company, currently being M/s K M A & Co., Chartered Accountants, having their office at 124-126/2B, Ostwal Ornate, Opp. Jain Mandir, Jesal Park, Bhayandar (East), Thane- 401105, Maharashtra.
Wilful Defaulter(s)	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Whole Time Director	The Whole Time Director of our company being Sanjay Kumar Pandey and Ragini Pandey

## Issue Related Term

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allot / Allotment of Equity shares/ Allotted	Unless the context otherwise requires, allotment of the Equity Shares to successful Applicants pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholder to the successful Applicants, pursuant to the Issue
Allotment Advice	A note or advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottees	The successful applicant(s) to whom the Equity Shares are being / have been allotted.
Applicant / Investor	Any prospective investor who makes an application pursuant to the terms of the Prospectus.
Application Amount	The amount at which the prospective investors shall apply for Equity Shares of our Company in terms of the Prospectus.
Application Supported by Blocked Amount/ ASBA	An application whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include applications made by RIIs using the UPI Mechanism, where the Application Amount shall be blocked upon acceptance of UPI Mandate Request by RIIs using UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA Applicants, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Application Amount mentioned in the relevant ASBA Form and includes the account of an RIIs which is blocked upon acceptance of a UPI Mandate Request made by the RIIs using the UPI Mechanism.
ASBA Applicant(s)	Any prospective investors in the Issue who intend to submit the Application through the ASBA process.
ASBA Application / Application	An application form, whether physical or electronic, used by ASBA Applicants which will be considered as the application for Allotment in terms of the Prospectus.
ASBA Form/ Application Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicants and which will be considered as an application for Allotment in terms of the Prospectus.
Banker(s) to the Company	Such banks which are disclosed as Bankers to our Company in the chapter titled “ <i>General Information</i> ” on page no 43 of this Draft Prospectus.
Banker(s) to the Issue	Collectively, Escrow Collection Bank, Public Issue Bank, Sponsor Bank and Refund Bank, as the case may be, which are Clearing Members and registered with SEBI as Banker to the Issue with whom the Escrow Agreement is entered and in this case being [●].
Banker(s) to the Issue and Sponsor Bank Agreement	The agreement dated [●] entered into amongst our Company, the Selling Shareholders, the Registrar to the Issue, the LM, and Banker(s) to the Issue in accordance with the UPI Circulars, transfer of funds to the Public Issue Account(s) and where applicable remitting refunds, if any, to Applicants, on the terms and conditions thereof
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page no 191 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges where Applicants can submit the ASBA Forms (in case of RIIs only ASBA Forms under UPI) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and the UPI Circulars issued by SEBI as per the list available on the websites of Stock Exchange.

Term	Description
Collecting Registrar and Share Transfer Agents / CRTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI
Controlling Branches	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Collection Centres	Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 i.e. CDSL and NSDL.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms and in case of RIIs only ASBA Forms with UPI.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange.
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, and the aforesaid transfer and instructions shall be issued only after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries / Collecting Agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.  In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.  In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs.
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited (“BSE”)
Draft Prospectus	This Draft Prospectus dated July 31, 2023 issued in accordance SEBI ICDR Regulation.

Term	Description
Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Issue or invitation under this Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank(s) will transfer money through NACH/ direct credit/ NEFT/ RTGS in respect of the Application Amount when submitting an Applicant.
First or Sole Applicant	Applicant whose name shall be mentioned in the Application Form or the Revision Form and in case of joint Applicants, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Foreign Institutional Investors/ FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
Fresh Issue	Fresh Issue of up to 13,20,000 Equity Shares of face value ₹ 10 each for cash at a price of ₹ [●] per Equity Shares aggregating ₹ [●] lakhs by our Company
Fresh Issue Proceeds	The proceeds of the Fresh Issue as stipulated by the Company. For further information about use of the Fresh Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page no. 62 of this Draft Prospectus
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
Fraudulent Borrower	Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
General Information Document or GID	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, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM
Issue	The Initial Public Offer of up to 15,20,400 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] each (including securities premium of ₹ [●] per Equity Share) aggregating to ₹ [●] lakhs.
Issue Agreement	The agreement dated July 12, 2023 entered amongst our Company, the Selling Shareholders and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing date	The date on which the Issue closes for subscription being [●]
Issue Opening date	The date on which the Issue opens for subscription being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications, including any revisions thereof
Issue Price	The Price at which the Equity Shares are being Issued by our Company and the Selling Shareholders in consultation with the Lead Manager under this Draft Prospectus being ₹ [●] per equity share
Issue Proceeds	The proceeds of the Issue that will be available to our Company and the Selling Shareholders. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page no. 62 of this Draft Prospectus.
Issue Size	The Public Issue up to 15,20,400 of Equity shares of Rs. 10 each at price of ₹ [●] per Equity share, aggregating to ₹ [●] lakhs by our Company and the Selling Shareholders.
LM / Lead Manager	Lead Manager to the Issue, in this case being Aryaman Financial Services Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and National Stock Exchange of India Limited.
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Market Maker	Member Brokers registered as Market Makers with the SME Platform of BSE

Term	Description
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [●]
Market Maker Reservation Portion	The Reserved portion of up to 78,000 Equity shares of ₹10 each at an Issue Price of ₹ [●] per share aggregating to ₹ [●] lakhs for Designated Market Maker in the Public Issue of our Company.
Minimum Promoters' Contribution	Aggregate of 20% of the fully diluted post-Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters' of 20% and locked-in for a period of three years from the date of Allotment.
Mobile App(s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Issue	The Net Issue of up to 14,42,400 Equity Shares of ₹ 10 each at price of ₹[●] per Equity Shares aggregating to ₹ [●] lakhs by our Company and the Selling Shareholders.
Net Proceeds	Proceeds of the Issue that will be available to our Company i.e. gross proceeds of the Fresh Issue, less Issue expenses to the extent applicable to the Fresh Issue. For further details regarding the use of the Net Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” beginning on page no. 62 of this Draft Prospectus.
Non Institutional Applicant/ NIIs	All Applicants including FPIs that are not Qualified Institutional Buyers or Retail Individual Applicants and who have Applied for Equity Shares for a cumulative amount more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs).
Non Resident or NRI	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI and FVCIs registered with SEBI
OCB / Overseas Corporate Body	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue. (A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue.)
Offer for Sale/ OFS	The offer for sale of up to 2,00,400 Equity Shares for cash at a price of ₹ [●] per Equity Share aggregating to ₹ [●] lakhs by the Selling Shareholders
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and Closing date and other information.
Public Issue Account	A bank account opened with Bankers to the Issue under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Bank	A bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made. Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable
Refund Bank(s)	The bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Refund Account will be opened, in this case being [●].

Term	Description
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals, other than the Members of the Syndicate eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 issued by SEBI.
Registrar Agreement	The agreement dated July 12, 2023 among our Company, the Selling Shareholders and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents/ RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Registrar / Registrar to the Issue	Registrar to the Issue being KFin Technologies Limited
Retail Individual Investors / RII(s)	Individual Applicants, who have Application for the Equity Shares for an amount not more than ₹2,00,000 in any of the applying options in the Issue (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Revision Form	Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s).  QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period or withdraw their Applications until Issue Closing Date.
Self-Certified Syndicate Bank(s) / SCSBs	The banks registered with SEBI, which offer services, (i) in relation to ASBA, where the Application Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIIs using the UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time.  Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website. The said list shall be updated on the SEBI website.
Share Escrow Agent	Share Escrow agent appointed pursuant to the Share Escrow Agreement, being [●]
Share Escrow Agreement	Agreement dated [●] entered into between our Company, the Selling Shareholders, the Share Escrow Agent and the Lead Manager in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI, a list of which is available on the website of SEBI ( <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> ) and updated from time to time.
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company and the Selling Shareholders, in consultation with the LM's to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●]
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters	The underwriters in this case are [●].
Underwriting Agreement	The Agreement among our Company, the Selling Shareholders and the Underwriters dated [●].

Term	Description
“Unified Payments Interface” or “UPI”	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 05, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the 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 authorise blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors, Using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> ) respectively, as updated from time to time
UPI mechanism	The Application mechanism that may be used by an RII to make an Application in the Issue in accordance the UPI Circulars to make an ASBA Applicant in the Issue
UPI PIN	Password to authenticate UPI transaction.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price Band; and (ii) Issue Period, “Working Day” shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and with reference to (iii) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, including the UPI Circulars

#### Technical / Industry related Terms

Term	Description
GDP	Gross Domestic Product
WEO	World Economic Outlook
IMF	International Monetary Fund
HFI	High-Frequency Indicators
PE-VC	Private Equity-Venture Capital
IIP	Index of Industrial Production
FPI	Foreign Portfolio Investment
CPI	Consumer Price Index
MoSPI	Ministry of Statistics & Programme Implementation
MSME	Micro, Small & Medium Enterprises
GVA	Gross Value Added

PLI	Production Linked Incentive
SAMARTH	Scheme for Capacity Building in Textiles Sector
CAGR	Compound annual growth rate
HDPE	High-density Polyethylene
PPE	Personal Protective Equipment
APAC Countries	Asia Pacific countries
CNC	Computer Numerical Control

### Conventional Terms / General Terms / Abbreviations

Term	Description
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AOA	Article of Association
AS/Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
Amt	Amount
Approx	Approximately
B. A	Bachelor of Arts
B.B.A	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Banking Regulation Act	Banking Regulation Act, 1949
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CAGR	Compound Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2016, as amended
Category I Alternate Investment Fund / Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations.
Category I foreign portfolio investor(s) / Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations.
Category II foreign portfolio investor(s) / Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III Alternate Investment Fund / Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations.
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CFO	Chief Financial Officer

Term	Description
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CMD	Chairperson and Managing Director
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
COVID – 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CPI	Consumer Price Index
CS	Company Secretary
CSR	Corporate social responsibility.
CS & CO	Company Secretary & Compliance Officer
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CST	Central Sales Tax
CY	Calendar Year
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry
DP	Depository Participant, as defined under the Depositories Act 1996
DP ID	Depository Participant's identification
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
ECS	Electronic Clearing System
EMDEs	Emerging Markets and Developing Economies
EGM/ EoGM	Extraordinary General Meeting
EPF Act	The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPFO	Employees' Provident Fund Organization
EPS	Earnings Per Share
ESIC	Employee's State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FTA	Foreign Trade Agreement.
FTP	Foreign Trade Policy
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
FV	Face Value
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GAAP	Generally Accepted Accounting Principles in India

Term	Description
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
GVA	Gross Value Added
HNIs	High Networth Individuals
HUF	Hindu Undivided Family
i.e	That is
IAS Rules	Indian Accounting Standards, Rules 2015
ICAI	The Institute of Chartered Accountants of India
ICAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
IGST	Integrated Goods and Services Tax Act, 2017
IIP	Index of Industrial Production
IMF	International Monetary Fund
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015
INR / ₹/ Rupees/Rs.	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offer
IRDA	Insurance Regulatory and Development Authority
IRDAI Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2016
ISIN	International Securities Identification Number. In this case being INE0Q1S01010.
ISO	International Organization for Standardization
IST	Indian Standard Time
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
KM / Km / km	Kilo Meter
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
M. E	Master of Engineering
M. Tech	Masters of Technology
MAT	Minimum Alternate Tax
MAPIN	Market Participants and Investors Database
MCA	Ministry of Corporate Affairs, Government of India
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
M-o-M	Month-On-Month
MICR	Magnetic Ink Character Recognition
MoA	Memorandum of Association
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mn	Million
MRP	Maximum Retail Price
MSMEs	Micro, Small and medium Enterprises
NA/ N.A.	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NCPI	National Payments Corporation of India
NECS	National Electronic Clearing System

Term	Description
NEFT	National Electronic Funds Transfer
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NOC	No Objection Certificate
NPV	Net Present Value
NRE Account	Non-Resident External Account
NRIs	Non-Resident Indians
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
OPC	One Person Company as defined under section 2(62) of The Companies Act, 2013
P.A.	Per Annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PF	Provident Fund
PG	Post Graduate
PLI	Postal Life Insurance
PLR	Prime Lending Rate
PMI	Purchasing Managers' Index
POA	Power of Attorney
PPP	Purchasing power parity
PSU	Public Sector Undertaking(s)
Pvt.	Private
R&D	Research & Development
RBI	The Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rupees / Rs. / ₹	Rupees, the official currency of the Republic of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI MB Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended

<b>Term</b>	<b>Description</b>
SEBI PIT Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
Sec.	Section
SGST	State Goods and Services Tax Act, 2017
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
SPV	Special Purpose Vehicle
STT	Securities Transaction Tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TIN	Taxpayers Identification Number
TRS	Transaction Registration Slip
UGST	Union Territory Goods and Services Tax Act, 2017
UPI	Unified Payments Interface, a payment mechanism that allows instant transfer of money between any two persons bank account using a payment address which uniquely identifies a person's bank account.
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VAT	Value Added Tax
VC	Venture Capital
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from
WHO	World Health Organization
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations
WIP	Work in process
YoY	Year over Year

## CERTAIN CONVENTIONS AND PRESENTATION OF FINANCIAL

### Certain Conventions

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

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time (“IST”).

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

### Financial Data

Unless stated otherwise, the financial information in this Draft Prospectus is derived from our Restated Financial Statements. Certain additional financial information pertaining to our Group Company is derived from its financial statements. The Restated Financial Statements included in this Draft Prospectus are for the Fiscals ended March 31, 2023, March 31, 2022, and March 31, 2021, and have been prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations. For further information, see please refer —Financial Information beginning on page no. 128 of this Draft Prospectus.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

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

There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the financial statements included in this Draft 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 Draft Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page nos. 22, 84 and 154 respectively, of this Draft Prospectus, and elsewhere in this Draft Prospectus have been calculated on the basis of the Restated Financial Statements of our Company.

### Currency And Units Of Presentation

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

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

## **Definitions**

For definitions, please refer the Chapter titled “*Definitions and Abbreviations*” on page no. 1 of this Draft Prospectus. In the Section titled “*Main Provisions of the Articles of Association of Our Company*” beginning on page no. 214 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

## **Industry And Market Data**

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

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

## FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by the use of terminology such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “may”, “will”, “will continue”, “will pursue”, “contemplate”, “future”, “goal”, “propose”, “will likely result”, “will seek to” or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

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

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

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Inability to identify the new premises may adversely affect the operations, finances and profitability of the Company;
- Increased competition in Engineering and Mould base Industry.
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our inability to maintain or enhance our brand recognition;
- Inability to adequately protect our Intellectual Property Rights
- Changes in consumer demand
- Inability to identify or effectively respond to customer needs, expectations or trends in a timely manner;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects;
- Volatility of loan interest rates and inflation;
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in government policies and regulatory actions that apply to or affect our business;
- The occurrence of natural disasters or calamities; and

For further discussions of factors that could cause our actual results to differ, please refer the section titled “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page nos. 22, 84 and 154 of this Draft Prospectus, respectively.

Neither our Company, our Directors, our Promoters, the Selling Shareholders, the Lead Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments from the date of this Draft Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

## SECTION II - SUMMARY OF OFFER DOCUMENT

### A. Summary of Business

Sunita Tools has been in the Engineering and Mould base Industry since over Five decades providing one of its kind customized solutions to various industries with a vision to fulfill tomorrow's requirements today.

Our products are a pre-requisite and act as food to the Manufacturing industries be it Automotive, Pharmaceutical, Electronics, Consumer Goods and most of the Manufacturing Sectors. Our products are mould base and machining parts which are industrial capital goods which undergoes stringent quality tests to meet industry standards before they are delivered to our clients.

For more details, please refer chapter titled "Our Business" beginning on page 84 of this Draft Prospectus.

### B. Summary of Industry

We operate in Engineering and Mould base Industry. For more details, please refer chapter titled "Industry Overview" beginning on page 74 of this Draft Prospectus.

### C. Our Promoters

Our Company is promoted by Sangeeta Pandey, Sanjay Kumar Pandey, Satish Kumar Pandey, and Ragini Pandey.

### D. Size of Issue

Issue	Upto 15,20,400 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share, aggregating to ₹ [●] lakhs
<b>Consisting of:</b>	
Fresh Issue	Up to 13,20,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
Offer for Sale (OFS)	Up to 2,00,400 Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs.
<b>of Which:</b>	
Market Maker Reservation	Upto 78,000 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share, aggregating to ₹ [●] lakhs
Net Issue	Upto 14,42,400 Equity Shares of ₹ 10 each for cash at a price of ₹ [●] per share, aggregating to ₹ [●] lakhs

### E. Object of the Issue

The fund requirements for each of the Object of the Issue are stated as below:

(₹ In lakhs)

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Amount to be deployed from the Net Proceeds in FY 2023-24
1.	Funding Working capital requirements	1,425.00	1,425.00
2.	General Corporate Purpose	[●]	[●]
<b>Total</b>		[●]	[●]

### F. Pre-Issue Shareholding of our Promoters, Promoters Group and Selling Shareholders as a percentage of the paid-up share capital of the Company

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

Category of Promoters	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
<b>1. Promoters</b>				
Sanjay Kumar Pandey	16,53,200	38.40%	15,86,400	28.20%
Satish Kumar Pandey	15,02,230	34.90%	14,35,430	25.52%
Sangeeta Pandey	6,52,460	15.16%	6,52,460	11.60%
Ragini Pandey	3,45,090	8.02%	2,78,290	4.95%
<b>2. Promoters Group (as per defined by Reg. 2(1)(pp) of SEBI ICDR Regulations)</b>				
Sunita Tiwari	1,26,220	2.93%	1,26,220	2.24%
Sweta Pandey	13,000	0.30%	13,000	0.23%
Uma Pandey	9,800	0.23%	9,800	0.17%
Abheshek Pandey	3,000	0.07%	3,000	0.05%
<b>Total Promoters &amp; Promoters Group Holding</b>	<b>43,05,000</b>	<b>100.00%</b>	<b>4,104,600</b>	<b>72.97%</b>
<b>Total Paid up Capital</b>	<b>43,05,000</b>	<b>100.00%</b>	<b>5,625,000</b>	<b>100.00%</b>

\*Sanjay Kumar Pandey, Satish Kumar Pandey and Ragini Pandey are also the Promoter Selling Shareholders

### G. Summary of Restated Financial Statement

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
Share Capital	430.50	180.50	180.50
Net Worth	320.69	(267.02)	(348.02)
Total Income	1,417.33	888.88	691.50
Profit after Tax	337.71	80.99	26.66
Basic & Diluted EPS	13.96	3.35	1.10
Net Asset Value Per Share (₹)-based on actual no. of equity shares at the end of the year	7.45	(147.94)	(192.81)
Total Borrowings	1,659.96	1,249.16	1,334.63

### H. There are no Auditor's Qualifications in any of the Financial Statements of the Company.

### I. Summary of Outstanding Litigation are as follows

(₹ in lakhs)

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation	Aggregate amount involved (Rs in lakhs) to the extent quantifiable
<b>Company</b>						
By the Company	-	-	-	-	-	-
Against the Company	-	-	-	-	-	-
<b>Directors</b>						
By our Directors	-	-	-	-	-	-
Against the Directors	-	-	-	-	-	-
<b>Promoters</b>						
By Promoters	-	-	-	-	-	-
Against Promoters	-	8	-	-	-	3.44
<b>Group Company</b>						

Name of Entity	Criminal Proceeding	Tax Proceeding	Statutory or Regulatory Proceeding	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation	Aggregate amount involved (Rs in lakhs) to the extent quantifiable
By Group Company	-	-	-	-	-	-
Against Group Company	-	-	-	-	-	-

*\*For further details of the outstanding litigation proceedings, see "Outstanding Litigations and Material Developments" beginning on page 164 of this Draft Prospectus.*

#### J. Risk Factors

Investors should read chapter titled "Risk Factors" beginning on page no. 22 of this Draft Prospectus to get a more informed view before making any investment decisions.

#### K. Summary of contingent liabilities

There are no material contingent liabilities as of March 31, 2023

#### L. Summary of Related Party Transactions

Our Company has entered into certain transactions with our related parties including our Promoters, Promoters Group, Directors and their relatives as mentioned below:

(₹ in lakhs)

Particulars	For the year ended March 31,		
	2023	2022	2021
<b>1) Expenses</b>			
Director's Remuneration	26.40	26.40	26.40
Professional charges	6.27	4.99	5.31
Rent Paid	6.00	6.00	8.00
<b>2) Purchases/ Sales</b>			
Purchases	-	160.90	173.85
Sales	-	56.30	17.55
<b>3) Balances at the end</b>			
Loans from related party	203.87	685.32	726.88
Advances to Company	285.15	(94.44)	(103.02)
Rent Deposits	143.17	143.17	143.17

*For further information, please refer "Note 26 - Related Party Transactions" in the chapter titled "Financial Statements as Restated" beginning from page no. 128 of this Draft Prospectus*

M. There are no financing arrangements whereby our Promoters, the Promoters Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Prospectus.

N. The weighted average price of acquisition of Equity Shares by our Promoters and Promoter Selling Shareholders in last one year preceding the date of this Draft Prospectus is below:

Name of Promoters and Promoter Selling Shareholders	Weighted Average price of Acquisition (₹)
Sangeeta Pandey	NA
Sanjay Kumar Pandey	10
Satish Kumar Pandey	10
Ragini Pandey	10

**O.** The average cost of acquisition of Equity Shares by our Promoters and Promoter Selling Shareholders is:

Name of Promoters and Promoter Selling Shareholders	Average price of Acquisition (₹)
Sangeeta Pandey	10
Sanjay Kumar Pandey	10
Satish Kumar Pandey	10
Ragini Pandey	10

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

- P.** Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus till the listing of the Equity Shares.
- Q.** Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus.
- R.** Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Prospectus.
- S.** Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

### SECTION III- RISK FACTORS

*An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this Draft Prospectus, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment.*

*In addition, the risks set out in this Draft Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with the sections entitled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page nos. 84 and 154 of this Draft Prospectus respectively as well as other financial and statistical information contained in this Draft Prospectus. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

*This Draft Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial information of our Company prepared in accordance with the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto.*

#### MATERIALITY

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

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

#### BUSINESS RELATED RISKS

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

<i>Name of Entity</i>	<i>Criminal Proceeding</i>	<i>Tax Proceeding</i>	<i>Actions by Regulatory Authorities</i>	<i>Disciplinary actions by the SEBI or Stock Exchanges against our Promoters</i>	<i>Other material Proceeding</i>	<i>Aggregate amount involved (Rs in lakhs) to the extent quantifiable</i>
<b>Company</b>						
By the Company	-	-	-	-	-	-
Against the Company	-	-	-	-	-	-
<b>Directors &amp; Promoters</b>						
By our Directors	-	-	-	-	-	-
Against the Directors	-	3	-	-	-	3.44
<b>Group Companies</b>						
By Group Companies	-	-	-	-	-	-
Against Group Companies	-	-	-	-	-	-

There can be no assurance that there will be no future litigations and those will be decided in favour of our Promoter, Director, Group Companies and consequently it may divert the attention of our management and Promoter and waste our corporate resources and our Director and Promoter may incur significant expenses in such proceedings. If such claims are determined against our Director and Promoter, there could be a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For the details of the cases filed by and against our Company, Group Companies, our Subsidiary, our Promoters and Directors, please refer to the chapter titled “Outstanding Litigations and Material Developments” on page no. 164 of this Draft Prospectus.

**2. *Risk related to mould base industry which has impact on health & safety of workers, environments.***

Moulds manufacturing process can release spores into the air, which can cause respiratory problems, allergies, and other health issues for workers exposed to it regularly. Mold manufacturing involves working with various materials and machinery, which can pose safety hazards if not handled properly. Workers may be at risk of cuts, burns, electrical shocks or falls. Mold production can generate waste materials, chemicals, and emissions that may be harmful to the environment if not properly managed or disposed off. This can include hazardous materials, pollutants, or excessive energy consumption.

**3. *Product development is a long, expensive and uncertain process and our current expenditure in product development may not provide a sufficient or timely return.***

The mould base industry is influenced by advancements in technology, such as 3D printing, automation, and computer-aided design (CAD) software. Companies in the industry need to stay updated with the latest technologies to remain competitive and meet customer demands. The development of our software products is a costly, complex and time-consuming process, and the investment in its development often involves a long wait until a return is achieved on such an investment. We have made, and will continue to make, significant investments in software product development and related product opportunities. Investments in new technology and processes are inherently speculative. Commercial success depends on many factors, including the degree of innovation of the software products developed and effective distribution and marketing. Such expenditure may adversely affect our operating results if they are not offset by corresponding and timely revenue increases. However, significant revenues from new software product investments may not be achieved for a number of years, or at all. Moreover, new software products may not be profitable, and even if they are profitable, operating margins for new software products may not be in line with the margins we have experienced for our existing or historical software products. Moreover, we may determine that certain software product does not have sufficient potential to warrant the continued allocation of resources and accordingly, we may elect to terminate the development of such products. If we terminate a product in development in which we have invested significant resources, our prospects may suffer, as we will have expended resources on a project that will not provide any return on our investment and also may have missed the opportunity to have allocated those resources to potentially more productive uses. In turn, this may adversely impact our business, operating results and financial condition

**4. *Quality issues in mould base products can have significant consequences for businesses***

Mould base products need to have precise dimensions to ensure proper fit and function in the moulding process. Any dimensional inaccuracies can lead to problems such as improper mould alignment, defective parts, or difficulty in assembly. This can result in production delays, rework, or scrap, impacting the overall efficiency and cost-effectiveness of the manufacturing process. The surface finish of mould base products plays a crucial role in the quality of the moulded parts. Any imperfections or roughness on the mould base surface can transfer to the moulded parts, resulting in cosmetic defects, poor surface finish, or functional issues. This can lead to rejected parts, customer dissatisfaction, and potential damage to the company's reputation. Mould base products require strict tolerances to ensure accurate and repeatable moulding. Any lack of precision in the manufacturing process, such as machining errors or poor quality control, can result in deviations from the desired specifications. This can lead to issues such as flash, dimensional variations, or misalignment in the moulding process, affecting the quality and consistency of the final products. Maintaining high-quality standards is crucial in the mold base industry. Any flaws or defects in the molds can lead to defective end products, customer complaints, and potential liability issues.

**5. *Our revenues are dependent on clients in various industries such as automotive, consumer goods, electronics. An economic slowdown or factors affecting this segment may have an adverse effect on our business, financial condition and results of operations.***

We provide machining parts & mould base products for the automotive, consumer goods, electronic industry. Our revenues are dependent on clients concentrated in the mentioned industries. The performance of the above mentioned industries depends on macroeconomic factors, and any downturn in the global economy could negatively affect our business, financial condition and results of operations. Further, due to the concentration of our clients in the automotive, consumer goods, electronic sector, the success of our business also depends on our ability to innovate and develop relevant skills and capabilities to address the rapid developments in the automotive, consumer goods, electronic industry sectors and integrating new technologies in our products.

**6. *If we fail to attract and retain highly skilled employees, we may not have the necessary resources to properly staff projects, and failure to successfully compete for such skilled employees could materially adversely affect our business, financial condition and results of operations.***

Our success depends largely on the contributions of our skilled employees and our ability to attract and retain skilled employees. We may encounter higher attrition rates in the future. A significant increase in the attrition rate among employees with specialized skills could decrease our operating efficiency and productivity and could lead to a decline in demand for our mould base & machining parts products. The competition for highly-skilled employees may require us to increase salaries, and we may be unable to pass on these increased costs to our customers. This would increase our operational costs which may adversely affect our business, results of operations and financial condition. We incur various employee benefits expense, including salaries and bonus, contribution to provident and other funds, gratuity expenses, annual leave encashment and staff welfare expenses. For the period ended March 31, 2023, and financial years ended March 31, 2022 and March 31, 2021, our employee benefits expense accounted to ₹ 202.34 Lakhs, ₹ 169.04 Lakhs and ₹ 149.19 Lakhs, respectively, representing for 18.72%, 20.91% and 22.46%, respectively, of our total expense for the respective year. For further details, kindly refer section titled “Restated Standalone Financial Statements” beginning on page 128 of this Draft Prospectus. In addition, our ability to maintain and renew existing engagements and obtain new business will depend, in large part, on our ability to attract, train and retain skilled employees, including experienced management team, which enables us to keep pace with growing demands for outsourcing, evolving industry standards and changing customer preferences. If we are unable to attract and retain the highly skilled employees we need, we may have to forgo projects for lack of resources or be unable to staff projects optimally. Our failure to attract, train and retain skilled employees necessary to fulfil the needs of our existing and future customers could materially adversely affect our business, financial condition and results of operations. We believe that there is significant competition for skilled employees in India and that such competition is likely to continue for the foreseeable future. Failure to hire, train and retain skilled employees in sufficient numbers 30 could have a material adverse effect on our business, results of operations and financial condition. We compete for such skilled individuals not only with other companies in our industry but also with companies in other industries such as automotive, consumer goods, electronic industries.

**7. *Increase in cost of raw material will have adverse impact on profitability of the business.***

An increase in steel prices can indeed have a significant impact on the mold base industry. Steel is a primary material used in mold base manufacturing, and fluctuations in its price can affect the overall cost structure and profitability of the industry. An increase in steel prices directly affects the cost of raw materials for mold base production. Steel prices can be influenced by various factors such as supply and demand dynamics, global market conditions, and trade policies. When steel prices rise, mold base manufacturers face higher costs for procuring steel, which can reduce profit margins. Higher steel prices can also impact the production costs associated with mold base manufacturing. Steel is used for various components of the mold base, including plates, inserts, and cores. Increased material costs can lead to higher manufacturing expenses, affecting the overall cost of producing mold bases. Mold base manufacturers may face challenges in adjusting product pricing to reflect the increased steel costs. If they are unable to pass on the increased costs to customers through higher prices, profit margins can be squeezed, impacting the financial viability of the business. Rising steel prices can impact the competitiveness of mold base manufacturers, particularly in a competitive market. If some competitors manage to secure steel at lower prices or have alternative material options, they may be able to offer more competitive pricing, potentially leading to a loss of market share for companies facing higher steel costs. Increases in steel prices can also disrupt the supply chain. Suppliers may face challenges in obtaining steel at affordable prices, leading to potential delays in material delivery. This can impact production schedules and customer commitments, affecting the overall efficiency and reputation of the mold base manufacturers. Overall, an increase in steel prices poses a significant risk to the mold base industry, and companies need to carefully manage their costs, pricing, and supply chain to navigate through these challenges successfully.

- 8. *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 licenses 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.***

Our Company requires certain statutory and regulatory permits, licenses and approvals to operate our business, some of which our Company has either received, applied for or is in the process of application. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Pursuant to conversion of our company in to public limited company, our company is yet to make applications with respective authorities for updating all the certificates to reflect its current name. 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. Further, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame 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 prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of the 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 our business. If we fail to comply with all the regulations applicable to us or if the regulations governing our business or their manner of implementation change, we may incur increased costs, or be subject to penalties or may suffer a disruption in our business activities, any of which, could adversely affect our business or results of operations. For further details, please see "Key Industry Regulations and Policies" and "Government and Other Statutory Approvals" beginning on page nos. 95 and 168 respectively of this Draft Prospectus.

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

Our Company has had long standing business relationships with various customers and has been supplying our products to several customers including repeat orders received from them. A substantial number of our customers are engaged in varied industry segments like medical, electrical, automotive, industries etc. However, we have not entered into any fixed contracts with these customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, quality consistency, fluctuation in demand for our Company's products and customer's inventory management. Although we place a strong emphasis on quality, pricing and timely delivery of our products and after sales service such as feedback on the trends in their market, personal interaction by the top management with the customers, etc., in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

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

Some of our Directors (including our Promoter) and Key Management Personnel are interested in our Company to the extent of their shareholding, loan in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. Our Promoters currently holds 96.47% of shareholding of our Company and will hold 70.27 % of post issue shareholding of our Company. We cannot assure you that our directors or our Key Management Personnel would always exercise their rights as Shareholders to the benefit and best interest of our Company. As a result, our directors will continue to exercise significant control over our Company, including being able to control the composition of our board of directors and determine decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting. Our directors may take or block actions with respect to our business, which may conflict with our best interests or the interests of other minority Shareholders, such as actions with respect to future capital raising or acquisitions. We cannot assure you that our directors will always act to resolve any conflicts of interest in our favor, thereby adversely affecting our business and results of operations and prospects.

We have entered into related party transactions which are at an arm's length basis from time to time with our promoters, directors and group companies. Some of the regular related party transactions involved in our company are explained below:

We have entered into related party transaction with enterprise in which our directors have significant influence. We cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition.

A summary statement of the related party transactions is as follows:

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022	For the period ended March 31, 2021
<b>Promoter</b>			
Director Remuneration	26.40	26.40	26.40
<b>Promoter Group</b>			
Professional Charges	-	-	1.02
<b>Enterprises over which KMP is able to exercise significant influence</b>			
Purchases	-	160.90	173.85
Sales	-	56.30	17.55
Professional Charges	6.27	4.99	4.29
Rent Charges	6.00	6.00	8.00
<b>Balances at the end of Loans/(Advances)</b>			
Due to Promoters	179.70	654.65	713.69
Due to Promoter Group	10.58	10.58	10.58
Due to Enterprises	5.52	13.66	0.60
Due to Promoter Group	(285.15)	97.84	106.42

**11. Our Promoters and Key Managerial Person play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that they remain associated with us.**

Our success also depends on our key managerial personnel and senior management and our ability to attract and retain them. Any loss of our key person could adversely affect our business, operations and financial condition. The success of our business operations is attributable to our promoters, directors and the technical team. We believe that our relation with our promoters, who have rich experience in mould base Industry, markets, managing customers and handling overall businesses, has enabled us to experience growth and profitability. Our promoters, directors, key managerial personnel and senior management have been actively involved in the day-to-day operations and management since the incorporation of the Company. Further, our Promoters, directors, key managerial personnel and senior management may promote other companies/ firms/ ventures, this will divert their attention to the other companies, we may not be able to function as efficiently and profitably as before.

We also depend significantly on the expertise, experience and continued efforts of our technical team; hence, our performance and success substantially depend on the ability to attract and retain our key employees, including our senior management team and experienced personnel. There can be no assurance that any member of our senior management or other experienced personnel will not leave us in the future. The lack of or loss of the services of such key persons in the organization could impair our ability to manage and expand our business. Our success is also dependent on our continuous ability to identify, hire, train retain and motivate our engineering, product and sales and marketing personnel. Competition for personnel in our industry is intense, and the availability of suitable and qualified candidates is limited. If we fail to hire and retain our employees, the loss of their services could harm our business operations and financial condition could be adversely affected.

**12. Our Company might be unable to meet certain delivery obligations including timelines of delivery, due to which, it could become liable to claims by customers, suffer adverse publicity and incur substantial costs, which in turn could adversely affect our results of operations.**

Our company is engaged in the business of manufacturing mould base & machining part items and sub-assembling. All of our machinery is occupied with customer's order which is critical to the operations of our customers business. Any failure or defect in our products could result in a claim against us for substantial damages, regardless of our

responsibility for such a failure or defect. Our Company has commitments for safe and timely delivery of the product. Any failure to meet the scheduled timelines set by our customers or loss or damage to the goods may lead to our customers raising claims against us. This can have an adverse effect on our business, operations, revenues and earnings.

**13. Our Balance sheet has a significant portion of Property Plant and Equipment. Any destruction, breakdown, theft of our major plants or equipment or failures to repair or maintain the same may adversely affect our business, cash flows, financial condition and results of operations.**

We have invested significantly on plant and machinery of latest technology and higher capacity and efficiency for our manufacturing facility. We own a large number of equipment and machinery used in our operations. To maintain our capability to undertake projects, we may have to purchase machines and equipment built with the latest technologies and knowhow. We cannot assure you that we will be immune from the associated operational risks such as the obsolescence of our plants or equipment, destruction, theft or major equipment breakdowns or failures to repair our major plants or equipment, which may result in their unavailability, project delays, cost overruns and even defaults in our order book.

The latest technologies used in newer models of equipment may improve productivity significantly and render our older equipment obsolete. Obsolescence, destruction, theft or breakdowns of our major plants or equipment may significantly increase our equipment purchase cost and the depreciation of our plants and equipment, as well as change the way our management estimates the useful life of our plants and equipment. We may have to incur high cost when our plants or equipment are not readily available from the market or requires services from original equipment manufacturers. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability of bulk discounts. Such replacement, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an adverse effect on our business, cash flows, financial condition and results of operations.

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

Our business is working capital intensive and hence, Trade Receivables and Inventories form substantial part of our current assets and net worth. Our, Trade Receivables and Inventories as on March 31,2023 were Rs. 618.65 lakhs and Rs. 923.21 lakhs respectively. The results of operations of our business are dependent on our ability to effectively manage our inventory (raw material, work in progress and finished goods) and trade receivables. We generally procure raw materials on the basis of management estimates based on past requirements and future estimates. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the finished inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows.

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

**15. Our Company had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.**

As per our Restated Financial Statements, our cash flows from operating, investing and financing activities are as set out below:

Particulars	<i>(Rs in Lakhs)</i>		
	For the year ended March 31		
	2023	2022	2021
Net Cash from Operating Activities	(274.21)	262.00	321.91
Net Cash from Investing Activities	(233.70)	(50.37)	(31.54)
Net Cash used in Financing Activities	502.73	(200.58)	(294.62)
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>(5.18)</b>	<b>11.05</b>	<b>(4.25)</b>

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources.

If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

For details, please see chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 154 of this Draft Prospectus.

***16. Our Company is dependent on the continuing operation of our manufacturing facilities. Any significant interruption in manufacturing at our facilities could have a material adverse effect on our business, results of operations and financial condition.***

Our Company manufactures all of the products at our manufacturing facility located at Survey No.66, Plot No.A, Valiv, Sativali Road, Vasai East, Palghar, Thane Maharashtra, India, which are subject to the normal risks of industrial production, including equipment breakdowns, labour stoppages, and natural disasters, directives from government and power interruptions. In case of any disruption at such facilities, it may adversely affect the manufacturing cycle, and may lead to time over-run in the execution of the project. As on date of this Draft Prospectus there are no litigations or disputes on our occupancy for the mentioned premise. However, any defaults in complying with the said terms and conditions/covenants on our part may be subjected to penal provisions and it may also lead to the cancellation of such lease, which will adversely affect our business, financial conditions and results of operations. Our manufacturing facilities require a significant amount and continuous supply of electricity and any shortage or non-availability of electricity may adversely affect our operations. The manufacturing process of our products requires significant electricity and any disruption may interfere with manufacturing process requiring us to either stop our operations or repeat activities which may involve additional time and increase our costs.

***17. We face foreign exchange risks that could adversely affect our results of operations. We face foreign exchange rate risk to the extent that certain of our revenues are denominated in a currency other than the Indian Rupee.***

We are also involved in export business and thereby face foreign exchange risk. Direct exports income, for Fiscal 2023, amounted to Rs. 24.32 lakhs. Fluctuations in exchange rate between the Indian Rupee and foreign currencies can have a material impact on our results of operations, cash flows and financial condition. Fluctuations in the exchange rates may affect us to the extent of orders being received from the overseas customers. Our Company may enter into certain contracts to hedge exchange rate fluctuations which may or may not adequately cover the potential loss that may arise as a result of such foreign exchange transactions. Moreover, these hedges do not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates that we have not adequately hedged may adversely impact our profitability and financial condition.

***18. Failure in supply of electricity or power can lead to significant disruption in manufacturing process and can affect our operations.***

We consume substantial power and fuel at our manufacturing facility. Electricity expenses represent a significant portion of the direct cost associated with cost of material consumed. For Fiscals 2023, 2022 and 2021, electricity cost was ₹72.68 lakhs, ₹42.98 lakhs, and ₹46.31 lakhs, constituting 6.73%, 5.32%, and 6.97% respectively, of total expenses. If electricity cost rises or supply arrangements were disrupted, our profitability could decline. We source most of our electricity requirements for our manufacturing facilities from the Maharashtra State Electricity Distribution Co. Ltd. The cost of electricity from state electricity boards could be significantly higher, thereby adversely affecting our cost of production and profitability. Further, if for any reason such electricity is not available, we may need to temporarily shut down our plants until an adequate supply of electricity is restored which will lead to the loss of production in progress and may affect our results of operations.

***19. Our Company has availed unsecured loan which are repayable on demand. Any demand from the lenders for repayment of such unsecured loan may affect our cash flow and financial condition.***

As per our Restated Financial Statements, we have unsecured loan of Rs. 195.75 lakhs from directors, relatives of directors and from other entity as on March 31, 2023 which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our liquidity and business operations. For further details of these unsecured loans, please refer to Chapter titled “Restated Financial Statements” beginning on page 128 of this Draft Prospectus.

- 20. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer “Objects of the Issue” on page no. 62 of this Draft Prospectus.

- 21. *Failure to perform or observe any contractual obligations could result in cancellation or non-renewal of a contract, which could cause us to experience a higher-than-expected number of unassigned employees and an increase in our expenses as a percentage of revenues, until we are able to reduce or reallocate our headcount and may adversely affect our business, results of operations and financial condition.***

The ability of our customers to terminate agreements makes our future revenues from operations uncertain. We may not be able to honor certain contractual obligations due to lack of manpower, which could lead to termination of agreements and further, we may not be able to replace any customer that elects to terminate or not renew its contract with us, or renew a contract with us on unfavorable terms, which could materially adversely affect our business, financial condition and results of operations.

For example, some of our customer agreements require us to maintain insurances including workers’ compensation insurance, professional liability insurance and commercial general liability insurance throughout the term of such agreements, in addition to maintaining testing facilities and round-the-clock IT infrastructure support. Some of our customer contracts also require us to have non-solicitation and limited exclusivity arrangements. In addition, some of our customer agreements specify that if a change of control of our company occurs during the term of the agreement, the customer has the right to terminate the agreement. If we fail to comply with such contractual obligations in the future, our customers may terminate agreements with us. If any future event triggers any change of control provision in our customer contracts, these master services agreements may be terminated, which would result in loss of business and revenues.

- 22. *Our Registered Office and the factory premises are taken on lease.***

Our Registered Office and the factory premise which is situated at Survey No.66, Plot No.A, Valiv, Sativali Road, Vasai East, Maharashtra, India, is taken on lease from a member of the promoter group. Upon the termination of the leave & license agreement, we are required to return the said premise to the licensor. The leave & license term is of three years. Further, the leave & license agreement may or may not be renewed.

In the event the licensor terminates on non-fulfillment of any conditions and does not accept the new lease terms on commercially acceptable terms, or at all, we shall be required to vacate the premises. We may be required to identify alternate premises and enter into fresh rent agreement. Such a situation could result in loss of business and may adversely affect our operations and profitability. For further details, please see paragraph titled “Properties” under the chapter titled “Our Business” beginning on page no 84 of this Draft Prospectus.

- 23. *We are dependent on third party transportation providers for the delivery of our raw material and products. Accordingly, continuing increase in transportation costs or unavailability of transportation services for them, as well the extent and reliability of Indian infrastructure may have an adverse effect on our business, financial condition, results of operations and prospects.***

We use services of third party transportation providers for the delivery of our raw material and products. Even though majority of our customers arrange their own transportation and have a separate agreement with them, but sometimes we need to arrange such services. Vehicle strikes could have an adverse effect on our receipt of raw materials and our ability to deliver our products to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. Continuing 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. Currently, physical infrastructure is less developed and problems with its road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of

raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition.

**24. *We have incurred indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations. We may also be unable to obtain future financing to fund our operations, expected capital expenditure and working capital requirements on favorable terms, or at all.***

As of March 31, 2023, we have ₹ 1,659.96 lakhs total borrowing on our balance sheet. Our level of indebtedness has important consequences to us, such as:

- affecting our credit rating;
- limiting our ability to borrow more money both now and in the future;
- Increasing our interest expenditure and adversely affecting our profitability.

Our business requires funding for working capital requirements. The actual amount and timing of future capital expenditure may depend on several factors, among others, new opportunities, availability of land, regulatory approvals, regulatory changes, economic conditions, technological changes and market developments in our industry. Our sources of additional funding, if required, to meet our capital expenditure may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

In case there is insufficient cash flow to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. Continuous increase of our working capital requirements may have an adverse effect on our results of operations and financial condition. Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including future results of operations, financial condition and cash flows; economic, political conditions and market scenario for our products; costs of financing, liquidity and overall condition of financial and capital markets in India; issuance of necessary business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets and conditions of the Indian and other capital markets in which we may seek to raise funds. Any such inability to raise sufficient funds could have a material adverse effect on our business and results of operations.

**25. *We have not yet applied for registration of our name and logo and we do not own the “corporate logo” legally as on date.***

We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights. We have not yet applied for registration of our name and logo under the provisions of the Trademarks Act, 1999 and do not own the “corporate logo” used in our communications and other operations as on date. As such, we do not enjoy the statutory protections accorded to a registered trademark or logo as on date. There can be no assurance that we will be able to register the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot assure you that any application for registration of our logo in future by our Company will be granted by the relevant authorities in a timely manner or at all. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

**26. *Our insurance coverage may not adequately protect us against all material hazards and the policies do not cover all risks.***

In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss. Our business could suffer damage from fire, natural calamities, misappropriation or other causes, resulting in losses, which may not be fully compensated by insurance. We maintain a standard fire and special perils insurance policy for certain movable and immovable assets which includes Plant & Machinery, Building, Furniture & fixtures,

and Stock and Stock in progress. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage.

Further, with respect to the insurances maintained by us, we cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected.

**27. *We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.***

We may have to confront pressures in respect of pricing; product quality etc. from the clients and such pressures may put strain on our profit margins which may consequently affect the financial position of our Company. Competition emerges not only from the organized sector but also from the unorganized sector and from both small and big players. Our Competitiveness is also measured by the technology we adopt as the industry is rapidly growing in India. Our inability to compete with this intense competition; will have material adverse impact on our Company's financial position.

**28. *The deployment of the Net Proceeds from the Fresh Issue are based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company's management will have flexibility in utilizing the Net Proceeds from the Fresh Issue.***

Our Company intends to primarily use the Net Proceeds from the Fresh Issue towards working capital as described in "Objects of the Issue" on page no. 62 of this Draft Prospectus. In terms of Regulation 16 of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Fresh Issue size is not in excess of Rs. 100 crores. The management of our Company will have discretion to use the Net Proceeds from the Fresh Issue, and investors will be relying on the judgment of our Company's management regarding the application of the Net Proceeds from the Fresh Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Further, estimates of certain costs are based on quotations received from various vendors from time to time. However we have not entered into any definitive agreements with any of the above vendors and there can be no assurance that the same vendor would be engaged to eventually supply the above mentioned items at the same costs.

We may have to revise our expenditure and funding requirements as a result of variations in costs, estimates, quotations or other external factors, which may not be within the control of our management. Additionally, various risks and uncertainties, including those set forth in this section "Risk Factors", may limit or delay our Company's efforts to use the Net Proceeds from the Fresh Issue to achieve profitable growth in its business. Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Issue, at a price and manner as specified in SEBI(ICDR) Regulations.

Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI. Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

**29. *Our Company if not able to manage our growth or to successfully implement our business plan could have an effect on our business, results of operations and financial condition.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. Our growth strategy involves focusing on Optimal Utilization of Resources and Increasing Operational

efficiency. For further details, see the section titled “Our Business – Our Strategies” on page no.84 of this Draft Prospectus.

Our success in implementing our growth strategies may be affected by:

- Our ability to identify new markets to expand;
- Our ability to maintain the quality of our products;
- Changes in the Indian regulatory environment in field.

If our Company is not able to execute our strategy on time and within our estimated budget, or that our expansion and development plans will increase our profitability. Any of these factors could impact our results of operations. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. Our inability to manage our business and implement our growth strategy could have an effect on our business, financial condition and profitability.

**30. *Employee misconduct, errors or fraud could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.***

Employee misconduct, errors or frauds could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such employee misconduct includes breach in security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes, and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. In addition, losses caused on account of employee misconduct or misappropriation of petty cash expenses and advances may not be recoverable, which we may result in write-off of such amounts and thereby adversely affecting our results of operations. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions in which case, our reputation, business prospects, results of operations and financial condition could be adversely affected.

**31. *If our employees were to unionize or our labour costs were to increase, our results of operations may be adversely affected.***

Currently our employees are not represented by a collective bargaining agreement and we believe that our non unionized operations have advantages over unionized competitors in providing reliable and cost-competitive customer services, including greater efficiency and flexibility. However, we cannot assure you that our employees will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. The unionization of our employees could result in an increase in wage expenses and our cost of employee benefits, limit our ability to provide certain services to our customers, cause customers to limit their use of our services due to the increased potential for strikes or other work stoppages and result in increased expenditures in connection with the collective bargaining process, any of which could have a material adverse effect on our business, financial condition and results of operations.

In addition, we enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Although we generally do not engage these labourers directly, it is possible under Indian law that we may be held responsible for wage payments to labourers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments will adversely affect us, our business, financial condition and results of operations. Further, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if we are unable to pass on the increased costs to our customers, our business operations and financial condition may be adversely affected.

Further, there is a possibility that the labour costs increase disproportionately due to increase in wage/salary demand. In this event, if we are unable to pass on the increased costs to our customers, our business operations and financial condition may be adversely affected.

**32. *We may not be able to sustain effective implementation of our business and growth strategies. The success of our business will depend greatly on our ability to effectively implement our business and growth strategies.***

We may not be able to execute our strategies in the future. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our

operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long term business outlook. Further, we operate in a highly dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Our inability to implement our business strategies and sustain our growth may impair our financial growth and thus result in an adverse impact on our Company's share price.

**33. *Industrial accidents at our manufacturing facility may adversely affect our operation.***

Our manufacturing facility are subject to operating risk resulting in fatal accidents which can cause injury to the labour and employees of the company and this could also cause damage to the property and plant and machinery situated at the factory which could have an adverse affect on our operations. Though, we have taken adequate safety measures in order to avoid such mishaps, but in case of any such happening of the event out of our control, we cannot assure you whether it will be sufficient or not. Further occurrence of such accidents could impact our production schedules, costs, revenue and ability to meet customer demand.

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

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange(s) which require us to file unaudited financial results on a half yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we might have to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. This could have an adverse affect on our profit and reputation.

**35. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects / schedule of implementation of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the Objects of the Fresh Issue as has been stated in the Chapter "Objects of the Issue" on page no.62 of the Draft Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our business, development and working capital plans resulting in unprecedented financial mismatch and this may adversely affect our revenues and results of operations.

**36. *Specified securities by the issuer within the last twelve months at a price lower than the issue price ( other than bonus issue)***

We have offered Equity Shares during the last one year at a price below the Offer Price. Our Company has made a Rights Issue through conversion of loans into equity of 25,00,000 equity shares of Rs. 10 each on March 30, 2023 in the last 12 months which is lower than the Offer Price. The Equity Shares allotted to shareholders pursuant to this Offer may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For further details, see "Capital Structure" on page 52 of this Draft Prospectus.

## **RISK FACTORS RELATED TO EQUITY SHARES**

**37. *Any further issuance of Equity Shares by Our Company or sales of Equity Shares by any significant shareholders may adversely affect the trading price of the Equity Shares.***

Any future issuance of Equity Shares by our Company could dilute the investors' shareholding. Any such future issuance of Equity Shares or sales of Equity Shares by any of our significant shareholders may also adversely affect

the trading price of the Equity Shares, and could impact our ability to raise capital through an offering of securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time. The price of the Equity Shares will be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

**38. *Our ability to pay dividends in the future may be affected by any material adverse effect on our future earnings, financial condition or cash flows.***

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements, and that of our Subsidiary and the dividends they distribute to us. In the past, we have made dividend payments to the Shareholders of our Company. In Future, the Company may decide to retain all future earnings, if any, for use in the operations and expansion of the business. In such situation, the Company may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot state with any certainty whether we will be able to pay dividends in the future. Accordingly, realization of a gain on shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to capital gains tax as per existing laws in India if Securities Transaction Tax (STT) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India.

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

## **EXTERNAL RISK FACTORS**

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

Our Company is subject to various regulations and policies. For details see section titled "Key Industry Regulations and Policies" beginning on page no. 95 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse affect on our business, financial condition and results of operations.

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

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

**42. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**43. *System failures or inadequacy and security breaches in computer systems may adversely affect our business.***

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communication services. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of services our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Any failure to effectively maintain or improve or upgrade our systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

**44. *Our Company is subject to risk arising from changes in interest rates and banking policies.***

Increased interest rates will have a bearing on profitability and credit controls that might have an effect on our liquidity and might have serious effects on adequate working capital requirements. We are dependent on various banks for arranging of our working capital requirement etc. Accordingly, any change in the existing banking policies or increase in interest rates may have an adverse impact on profitability of our company.

**45. *With time we might be liable to other labor laws which were not applicable before leading to increase cost and time to be invested in its compliance.***

Employees form the integral part of the operation of our business. Any labor disputes or unrests could lead to loss of production, increased costs or delays which could lead to penalties. We are subject to a number of stringent labor legislation that protects the interests of workers and defines our duties and obligations towards them in the capacity of principal employers, including legislations that sets forth detailed procedures for employee removal and dispute resolution and impose financial obligations on us. We are also subject to state and local laws and regulations. If labor laws become more stringent or are more strictly enforced, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows. Any organizational changes, including changes in salaries and wages and other employee benefits that are, or are perceived to be negative, could result in an increased attrition rate. We cannot assure you that there may not be incidences of labor unrest and absenteeism from work by some of our employees. Labour shortages could increase the cost of labor and hinder our productivity and ability to adhere to our delivery schedules for our projects, which would materially and adversely affect our business, financial condition, results of operations and prospects.

- 46. *We may, from time to time, look for opportunities to enter strategic alliances, acquire businesses or enter into joint venture arrangements. Any failure to manage the integration of the businesses or facilities post such acquisition or joint venture may cause our profitability to suffer.***

We may, from time to time, look for opportunities to acquire businesses or enter into strategic partnerships or alliances. Such acquisitions may not contribute to our profitability, and we may be required to incur or assume debt or additional expenses beyond our forecasts or assume contingent liabilities, as part of any acquisition. Further, the acquisitions may give rise to unforeseen contingent risks relating to these businesses that may only become apparent after the merger or the acquisition is finalized. We may also face difficulty in assimilating and retaining the personnel, operations and assets of the acquired company. Further, we may not be able to accurately identify or forge an alliance with appropriate companies in line with our growth strategy. In the event that the alliance does not perform as estimated, or the inability on the part of our joint venture partner to meet the customer requirements may lead to a failure of such an arrangement which may adversely affect our business.

- 47. *A decline in economic growth or political instability nationally or internationally or changes in the Government in India could adversely affect our business.***

Our performance and the growth of our business are necessarily dependent on the health and performance of the overall Indian economy. In the recent past, Indian economy has been affected by global economic uncertainties and liquidity crisis, domestic policy and political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture, rising inflation rates and various other factors. Risk management initiatives by banks and lenders in such circumstances could affect the availability of funds in the future or the withdrawal of our existing credit facilities. The Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could adversely affect our business, financial condition, results of operation and the trading price of our Equity Shares. Volatility, negativity, or uncertain economic conditions could undermine the business confidence and could have a significant impact on our results of operations. Changing demand patterns from economic volatility and uncertainty could have a significant negative impact on our results of operations.

Further, our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

- 48. *Any disproportionate increase in labor costs including increase in wage/salary demand, labor unrest or labor claims arising from accidents may adversely affect our business operations and financial conditions.***

Our increasing business operations may require our employee strength to increase in future. In the past our Company has not experienced any labor unrest, but there is no assurance that it will not experience the same at any time in the future. Also, there is a possibility that the labor costs may increase disproportionately due to increase in wage/salary demand. In this event, if our Company is unable to pass on the increased costs to our customers, our business operations and financial conditions may be adversely affected.

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

Our Company is engaged in the manufacturing business, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Employee State Insurance and Professional Tax. Any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

**50. *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

**51. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.***

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

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

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

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

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

**54. *Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

## SECTION IV: INTRODUCTION

### THE ISSUE

<b>Equity Shares:</b> <sup>(1)</sup> Present Issue of Equity Shares by our Company and the Selling Shareholders <sup>(2)</sup> :	Up to 43,05,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
<b>Consisting of:</b>	
<b>Fresh Issue</b>	Up to 13,20,000 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs
<b>Offer for Sale</b>	Up to 2,00,400 Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs.
<b>Which Comprises:</b>	
<b>Market Maker Reservation Portion</b>	Up to 78,000 Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs.
<b>Net Issue to Public</b>	Up to 14,42,400 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share aggregating ₹ [●] lakhs.
	<b>Of which</b> <sup>(3)</sup> :
	Up to 7,21,200 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of up to ₹ 2.00 lakhs
	Up to 7,21,200 Equity Shares of ₹ 10 each at a price of ₹ [●] per Equity Share will be available for allocation for Investors of above ₹ 2.00 lakhs
<b>Equity shares outstanding prior to the Issue</b>	43,05,000 Equity Shares of face value of ₹10 each
<b>Equity shares outstanding after the Issue</b>	Up to 56,25,000 Equity Shares of face value of ₹10 each
<b>Use of Net Proceeds</b>	Please refer to the section titled “Objects of the Issue” beginning on page no. 62 of this Draft Prospectus.

<sup>(1)</sup> This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled “Issue Information” beginning on page no. 181 of this Draft Prospectus.

<sup>(2)</sup> The present Issue has been authorized pursuant to a resolution of our Board dated June 09, 2023 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of our shareholders held with a shorter notice on June 12, 2023.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated June 10, 2023 and the No. of Equity Shares offered are as follows:

<b>Sr. No.</b>	<b>Name of the Selling Shareholders</b>	<b>No. of Equity Shares Offered</b>
1.	Sanjay Kumar Pandey	Up to 66,800
2.	Satish Kumar Pandey	Up to 66,800
3.	Ragini Pandey	Up to 66,800
	<b>Total</b>	<b>Up to 2,00,400</b>

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

<sup>(3)</sup> The allocation’ is the net Issue to the public category shall be made as per the requirements of Regulation 253(2) of SEBI (ICDR) Regulations, as amended from time to time:

a) Minimum fifty percent to retail individual investors; and

b) Remaining to

- (i) Individual applicants other than retail individual investors; and*
- (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for*

*The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.*

*If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

*For further details please refer to the chapter titled "Issue Structure" beginning on page no. 188 of this Draft Prospectus.*

**SUMMARY OF FINANCIAL INFORMATION**

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

*(₹ in Lakhs)*

Particulars	As at March 31,		
	2023	2022	2021
<b>Equity and Liabilities</b>			
<b>1. Shareholder's fund</b>			
a) Equity share capital	430.50	180.50	180.50
b) Reserves and surplus	(109.81)	(447.52)	(528.52)
<b>Total equity</b>	<b>320.69</b>	<b>(267.02)</b>	<b>(348.02)</b>
<b>2. Non-current liabilities</b>			
a) Long term borrowings	973.08	577.74	610.36
a) Deferred Tax Liability	0.83	-	-
<b>Total Non-current liabilities</b>	<b>973.91</b>	<b>577.74</b>	<b>610.36</b>
<b>3. Current liabilities</b>			
a) Short term borrowing	686.88	671.41	724.27
b) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	240.21	148.74	184.54
- Total outstanding dues of creditors other than micro enterprises and small enterprises	214.81	208.48	118.82
c) Other current liabilities	101.22	83.30	61.85
d) Short term provisions	-	-	-
<b>Total current liabilities</b>	<b>1,243.11</b>	<b>1,111.94</b>	<b>1,089.48</b>
<b>Total Equity and liabilities</b>	<b>2,537.71</b>	<b>1,422.66</b>	<b>1,351.82</b>
<b>Assets</b>			
<b>1. Non-Current assets</b>			
a) Property, plant and equipments	418.21	224.38	213.22
b) Deferred Tax Assets	-	1.16	0.69
c) Long Term Loans & Advances	144.49	144.49	144.49
d) Other non current assets	3.80	-	-
<b>Total Non-current assets</b>	<b>566.50</b>	<b>370.03</b>	<b>358.39</b>
<b>2. Current assets</b>			
a) Inventories	923.21	701.05	672.88
b) Trade receivables	618.65	278.90	246.91
c) Cash and bank balances	55.64	60.82	49.77
d) Short term loans & advances	334.42	10.00	21.78
d) Other current assets	39.30	1.86	2.09
<b>Total current assets</b>	<b>1,971.21</b>	<b>1,052.63</b>	<b>993.43</b>
<b>Total Assets</b>	<b>2,537.71</b>	<b>1,422.66</b>	<b>1,351.82</b>

**ANNEXURE II**
**STATEMENT OF PROFIT AND LOSS ACCOUNT, AS RESTATED**
*(₹ in Lakhs)*

Particulars	Year ended March 31		
	2023	2022	2021
<b>Revenue:</b>			
Revenue from operations	1,384.44	873.47	666.36
Other income	32.89	15.41	25.14
<b>Total Revenue</b>	<b>1,417.33</b>	<b>888.88</b>	<b>691.50</b>
<b>Expenses:</b>			
Cost of material consumed	877.71	323.55	203.44
Change in Inventory	(442.83)	31.85	(15.66)
Employee benefit expenses	202.34	169.04	149.19
Finance costs	155.02	115.11	135.89
Depreciation & amortisation cost	51.11	41.42	37.10
Other expenses	237.27	127.38	154.21
<b>Total Expenses</b>	<b>1,080.61</b>	<b>808.35</b>	<b>664.18</b>
Exceptional items	-	-	-
<b>Net Profit before Tax</b>	<b>336.71</b>	<b>80.53</b>	<b>27.32</b>
<b>Less: Provision for Tax</b>			
(a) Current Tax	-	-	-
(b) Deferred Tax Asset/(Liability)	1.98	(0.47)	0.66
(b) Short/Excess Tax provision for earlier periods	(2.98)	-	-
<b>Total</b>	<b>(1.00)</b>	<b>(0.47)</b>	<b>0.66</b>
<b>Net Profit / (Loss) for the period after tax but before extra ordinary items</b>	<b>337.71</b>	<b>80.99</b>	<b>26.66</b>
Extraordinary Items	-	-	-
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>	<b>337.71</b>	<b>80.99</b>	<b>26.66</b>
<b>Earning Per Share:</b>			
- Basic	<b>13.96</b>	<b>3.35</b>	<b>1.10</b>
- Diluted	<b>13.96</b>	<b>3.35</b>	<b>1.10</b>

**ANNEXURE III**
**CASH FLOW STATEMENT, AS RESTATED**
*(₹ in Lakhs)*

Particulars	Year ended March 31,		
	2023	2022	2021
<b>Cash flow from operating activities</b>			
Net profit before tax	336.71	80.53	27.32
<b>Adjustments for :</b>			
Depreciation	51.11	41.42	37.10
Provision for gratuity	35.28	29.84	19.89
Interest income	(11.24)	(2.22)	(2.43)
Finance cost	155.02	115.11	135.89
<b>Operating profit before working capital adjustment</b>	<b>566.88</b>	<b>264.68</b>	<b>217.78</b>
<b>Adjustment for changes in working capital</b>			
Trade and other payable	97.80	53.86	122.33
Other current liabilities	(17.36)	(8.39)	(6.35)
Other Short term Loans & Advances	(324.42)	11.78	5.72
Other Long term Loans & Advances	0.00	(0.00)	245.24
Other Non-Current assets	(3.80)		
Trade and other receivables	(339.75)	(31.99)	(83.20)
Changes in inventories	(222.15)	(28.18)	(181.03)
Short-term provisions	-	-	-
Other current assets	(37.44)	0.23	1.42
<b>Cash flow generated from operations</b>	<b>(280.24)</b>	<b>262.00</b>	<b>321.91</b>
Direct taxes paid	2.98	-	-
<b>Net cash flow from operating activities (A)</b>	<b>(277.26)</b>	<b>262.00</b>	<b>321.91</b>
<b>Cash flow from investing activities</b>			
Sale of fixed assets	6.00	2.00	0.14
Interest received	11.24	2.22	2.43
Purchase of building and plant and machinery	(250.94)	(54.59)	(34.11)
<b>Net Cash flow from Investing activities (B)</b>	<b>(233.70)</b>	<b>(50.37)</b>	<b>(31.54)</b>
<b>Cash flow from financing activities</b>			
Proceed from short term borrowings	15.46	(52.86)	17.41
Proceed from long term borrowings	395.34	(32.62)	(176.14)
Increased in share capital through conversion of loan	250.00	-	-
Finance cost	(155.02)	(115.11)	(135.89)
<b>Net cash flow From financing activities (C)</b>	<b>505.78</b>	<b>(200.58)</b>	<b>(294.62)</b>
Increase/(Decrease) in cash and cash equivalents (A+B+C)	(5.18)	11.05	(4.25)
Cash and cash equivalent at the beginning of the year	60.82	49.77	54.02
<b>Cash &amp; cash equivalent at the end of the year</b>	<b>55.64</b>	<b>60.81</b>	<b>49.77</b>

## GENERAL INFORMATION

Our Company was incorporated as Sunita Tools Private Limited on January 12, 1988 under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration number 045850. The status of the Company was changed to public limited and the name of our Company was changed to Sunita Tools Limited vide Special Resolution dated April 12, 2023. The fresh certificate of incorporation consequent to conversion was issued on April 28, 2023 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U29220MH1988PLC045850. For further details, please refer to the chapter “History and Certain Corporate Matters” beginning on page no. 103 of this Draft Prospectus.

### BRIEF COMPANY AND ISSUE INFORMATION

<b>Registered Office</b>	<b>Sunita Tools Limited</b> Survey No. 66, Plot No. A, Valiv, Sativali Road, Vasai East, Palghar, Thane-401208. <b>Tel No.:</b> +91 9136019995 <b>Email ID:</b> <a href="mailto:info@sunitatools.com">info@sunitatools.com</a> <b>Website:</b> <a href="http://www.sunitatools.com">www.sunitatools.com</a>
<b>Date of Incorporation</b>	January 12, 1988
<b>Company Registration Number</b>	045850
<b>Company Identification Number</b>	U29220MH1988PLC045850
<b>Address of the Registrar of Companies</b>	<b>Address:</b> 100, Everest, Marine Drive, Mumbai 400 002. <b>Tel No:</b> +91- 22- 2281 2627 / 2202 0295/ 2284 6954 <b>Website:</b> <a href="http://www.mca.gov.in">www.mca.gov.in</a>
<b>Issue Programme</b>	<b>Issue Opens on:</b> [●] <b>Issue Closes on:</b> [●]
<b>Designated Stock Exchange</b>	<b>BSE Limited</b>
<b>Company Secretary and Compliance Officer</b>	<b>Rupal Dedhia</b> Survey No. 66, Plot No. A, Valiv, Sativali Road, Vasai East, Palghar, Thane-401208. <b>Tel No.:</b> +91 9136019995 <b>Email ID:</b> <a href="mailto:info@sunitatools.com">info@sunitatools.com</a>

### BOARD OF DIRECTORS

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

Name	Designation	DIN	Residential Address
Sanjay Kumar Pandey	Chairperson and Whole-time Director	00739482	46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063, Maharashtra.
Satish Kumar Pandey	Managing Director	00158327	46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063, Maharashtra.
Ragini Pandey	Whole-time Director	00158343	46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063, Maharashtra.
Uma Pandey	Non-Executive Director	00739382	46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063, Maharashtra.
Nikhil Malpani	Non-Executive Independent Director	09816032	Jawahar Colony, Kampoo, Behind Padma School, Gird, Gwalior– 474001, Madhya Pradesh.
Diksha Maheshwari	Non-Executive Independent Director	10200518	121, Lakshmi Nagar, Post Office, Paota B Road, Jodhpur- 342006, Rajasthan.

For further details pertaining to the educational qualification and experience of our Directors, for details please refer to the chapter titled “Our Management” beginning on page no. 106 of this Draft Prospectus.

### CHIEF FINANCIAL OFFICER

#### Satish Kumar Pandey

Survey No. 66, Plot No. A, Valiv,  
Sativali Road, Vasai East, Palghar,  
Thane - 401208.

**Tel No.:** +91 9136019995  
**Email ID:** [info@sunitatools.com](mailto:info@sunitatools.com)  
**Website:** [www.sunitatools.com](http://www.sunitatools.com)

## COMPANY SECRETARY AND COMPLIANCE OFFICER

### **Rupal Dedhia**

Survey No. 66, Plot No. A, Valiv,  
Sativali Road, Vasai East, Palghar,  
Thane - 401208.

**Tel No.:** +91 9136019995  
**Email ID:** [info@sunitatools.com](mailto:info@sunitatools.com)

## INVESTOR GRIEVANCES

Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Issue and/or 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 and 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 UPI 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.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the post Offer lead manager is required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

Further, the Applicant shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Applications submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

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

### LEAD MANAGER



### **ARYAMAN FINANCIAL SERVICES LIMITED**

60, Khatau Building, Ground Floor  
Alkesh Dinesh Modi Marg  
Opp. P. J. Towers (BSE Building),  
Fort, Mumbai – 400 001  
**Tel No.:** +91 – 22 – 6216 6999

**Email:** [ipo@afsl.co.in](mailto:ipo@afsl.co.in)

**For Investor Grievances:** [feedback@afsl.co.in](mailto:feedback@afsl.co.in)

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

**Contact Person:** Vatsal Ganatra/ Rocky Shyamal

**SEBI Registration No.:** INM000011344

## REGISTRAR TO THE ISSUE



### KFIN TECHNOLOGIES LIMITED

Selenium Tower-B, Plot 31 & 32, Gachibowli,  
Financial District, Nanakramguda, Serilingampally,  
Hyderabad – 500 032, Telangana

**Tel No.:** +91 40 6716 2222

**Toll Free No.:** 1800 3094 001

**Email Id:** [sunitatools.ipo@kfintech.com](mailto:sunitatools.ipo@kfintech.com)

**Investor Grievance Email ID:** [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Contact Person:** M. Murali Krishna

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

**SEBI Registration No.:** INR000000221

**CIN:** L72400TG2017PLC117649

## LEGAL COUNSEL TO THE ISSUE

### M/S. ABDUS SAMEE ABDUL QADIR MANIYAR (A. A. MANIYAR) (ADVOCATE)

Office No. 2-A, Ground Floor,  
Ali Chambers, Tamarind Street,  
Fort, Mumbai 400 001

**Tel No.:** +91 – 22 - 2265 5505

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

## STATUTORY AUDITORS OF OUR COMPANY

### M/s K M A & Co., Chartered Accountants

124-126/2B, Ostwal Ornate, Opp. Jain Mandir,  
Jesal Park, Bhayandar (East),  
Thane- 401105,  
Maharashtra.

**Tel:** 22-35561828

**Email:** [cakmaco2016@gmail.com](mailto:cakmaco2016@gmail.com)

**Contact Person:** Keshav Chaubey

**Membership No.:** 044900

**Firm Registration No.:** 111899W

## CHANGES IN THE AUDITORS

There has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Prospectus.

## BANKERS TO OUR COMPANY



### Bank of Maharashtra

101, Mangirish Co-op HSG Soc, L.J Rd, Mahim, Mumbai-400016

**Tel No.:** 022-24453405/24458016

**Email ID:** [bom108@mahabank.co.in](mailto:bom108@mahabank.co.in)

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

**Contact Person:** Manisha Sharma



### Yes Bank

Yes Bank House, Off. Western Express Highway, Santacruz East, Mumbai – 400055.

**Tel No.:** 18001200

**Email ID:** [yes touch@yesbank.in](mailto:yes touch@yesbank.in)

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

**Contact Person:** Nimesh Shah

## **BANKER(S) TO THE ISSUE / REFUND BANK / SPONSOR BANK**

[•]

## **SELF-CERTIFIED SYNDICATE BANKS**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above-mentioned link.

The list of banks that have been notified by SEBI to act as SCSBs for the UPI process provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the designated intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and it's updated from time to time.

## **INVESTORS BANKS OR ISSUER BANKS FOR UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

## **REGISTERED BROKERS**

In terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, Applicant can submit Application Form for the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Brokers Centres.

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on Registered Brokers, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

## **REGISTRAR AND SHARE TRANSFER AGENTS**

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.

## **COLLECTING DEPOSITORY PARTICIPANTS**

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

## **INTER SE ALLOCATION OF RESPONSIBILITIES FOR THE ISSUE**

Aryaman Financial Services Limited (AFSL) is the sole Lead Manager (LM) to the issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

## **MONITORING AGENCY**

Since the proceeds from the Fresh Issue does not exceed ₹ 10,000 Lakhs in terms of Regulation 262 (1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

## **APPRAISING AUTHORITY**

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

## **CREDIT RATING**

As the Issue is of Equity Shares, the appointment of a credit rating agency is not required.

## **IPO GRADING**

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

## **GREEN SHOE OPTION**

No green shoe option is applicable for the Issue.

## **TRUSTEES**

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

## **TYPE OF ISSUE**

The present Issue is considered to be 100% Fixed Price Issue

## **EXPERT OPINION**

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

Our Company has received written consent from the Statutory Auditor namely, M/s K M A & Co., Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their Report on Restated Financial Statements dated June 15, 2023 and Report on Statement of Tax Benefits dated June 15, 2023 and issued by them, included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

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

## **FILING OF ISSUE DOCUMENT**

The Draft Prospectus and Prospectus shall be filed on SME Platform of BSE Limited.

Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft 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 issue document in term of Regulation 246(2) of the SEBI ICDR Regulations.

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

## ISSUE PROGRAMME

Event	Dates
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of Equity Shares on the Stock Exchange	[●]

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

Applications and any revision to the same shall be accepted only between **10.00 a.m. and 5.00 p.m.** (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between **10.00 a.m. and 3.00 p.m.** (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Investor after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company, nor the Selling Shareholders, nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

In accordance with the SEBI Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Applications (in terms of the quantity of the Equity Shares or the Applications Amount) at any stage. Retail Individual Investor can revise or withdraw their Applications prior to the Issue Closing Date. Except Allocation to Retail Individual Investors, Allocation in the Issue will be on a proportionate basis.

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

## UNDERWRITING AGREEMENT

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

Details of the Underwriter	No. of Shares Underwritten	Amount Underwritten	% of total Issue size underwritten
[●]	[●]	[●]	[●]

Note: Includes Upto 78,000 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

As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account. In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

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

## WITHDRAWAL OF THE ISSUE

Our Company and the Selling Shareholders, in consultation with the Lead Manager, reserves 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 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 Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one 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 of the Stock Exchange, which our Company shall apply for after Allotment. If our Company and Selling Shareholders 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 Draft Prospectus. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## MARKET MAKER

[•]

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

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

[•], registered with SME Platform of BSE Limited 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 fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by Stock Exchange and SEBI in this matter from time to time.

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. 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.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to Issue their holding to the Market Maker 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.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of BSE Limited from time to time.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.

5. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
6. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE Limited and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
7. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
8. The 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.
9. The Market Maker shall have the right to terminate the said arrangement by giving a one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

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

10. **Risk containment measures and monitoring for Market Maker:** SME Platform of BSE Limited will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
11. **Punitive Action in case of default by Market Maker:** SME Platform of BSE Limited will monitor the obligations on a real-time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (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.

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

13. The following spread will be applicable on the SME Exchange Platform:

Sr. No.	Market Price Slab (in ₹)	Proposed spread (in % to sale price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	7
4.	Above 100	6

14. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets Makers 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%

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.

## CAPITAL STRUCTURE

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

(₹ in lakhs except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price <sup>(3)</sup>
<b>A.</b>	<b>Authorized Share Capital</b>		
	60,00,000 Equity Shares of face value of ₹10 each	600.00	-
<b>B.</b>	<b>Issued, Subscribed And Paid-Up Equity Capital before the Issue</b>		
	43,05,000 Equity Shares of face value of ₹10 each	430.50	-
<b>C.</b>	<b>Present Issue in Terms of this Draft Prospectus</b>		
	Issue of Up to 15,20,400 Equity Shares of face value of ₹10 each <sup>(1)</sup>	152.04	[●]
	<b>Which Comprises:</b>		
	Fresh Issue of up to 13,20,000 Equity Shares	132.00	[●]
	Offer for Sale of up to 2,00,400 Equity Shares	20.04	[●]
	<b>Reservation for Market Maker portion</b>		
	78,000 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion	7.80	[●]
	<b>Net Issue to the Public</b>		
	Net Issue to Public of 14,42,400 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share to the Public	144.24	[●]
	<i>Of which<sup>(2)</sup></i>		
	7,21,200 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of up to Rs. 2.00 lakhs	72.12	[●]
	7,21,200 Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share will be available for allocation for Investors of above Rs. 2.00 lakhs	72.12	[●]
<b>D.</b>	<b>Paid-up Equity Capital after the Issue</b>		
	Up to 56,25,000 Equity Shares of face value of ₹10 each		562.50
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		Nil
	After the Issue		[●] <sup>(3)</sup>

<sup>(1)</sup> The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on June 09, 2023 and by our Shareholders pursuant to a Special Resolution passed at the Extra-Ordinary General meeting held with a shorter notice on June 12, 2023.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated June 10, 2023 and the Number of Equity Shares offered are as follows:

Sr. No.	Name of the Promoter Selling Shareholders	No. of Equity Shares Offered
1.	Sanjay Kumar Pandey	Up to 66,800
2.	Satish Kumar Pandey	Up to 66,800
3.	Ragini Pandey	Up to 66,800
	<b>Total</b>	<b>Up to 2,00,400</b>

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

<sup>(2)</sup> Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from

any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

<sup>(3)</sup> To be finalized upon determination of the Issue Price.

### **Classes of Shares:-**

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

### **CHANGES IN AUTHORIZED SHARE CAPITAL**

1. The Initial Authorized Share Capital shares of ₹5,00,000 (Five Lakhs) divided into 5,000 (Five Thousand) Equity Shares of ₹100 each was increased to ₹75,00,000 (Seventy Five Lakhs) divided into 75,000 (Seventy Five Thousand) Equity Shares of ₹100 each\*.
2. The Authorized Share Capital of the Company was increase further from ₹75,00,000 (Seventy Five Lakhs) divided into 75,000 (Seventy Five Thousand) Equity Shares of ₹100 each to ₹2,00,00,000 (Two Crore) divided into 2,00,000 (Two Lakhs) Equity Shares of ₹100 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on August 25, 2005.
3. Each Equity shares of our company of ₹100 was sub-divided into Ten Equity Shares of ₹10 each and accordingly the authorized share capital of our company was amended from ₹2,00,00,000 (Two Crore) divided into 2,00,000 (Two Lakhs) Equity Shares of ₹100 each to ₹2,00,00,000 (Two Crore) divided into 20,00,000 (Twenty Lakhs) Equity Shares of ₹10 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on January 27, 2023.
4. The Authorized Share Capital of the Company was increase further from ₹2,00,00,000 (Two Crore) divided into 20,00,000 (Twenty Lakhs) Equity Shares of ₹10 each to ₹6,00,00,000 (Six Crore) divided into 60,00,000 (Sixty Lakhs) Equity Shares of ₹10 each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on February 27, 2023.

\*The form filed with the RoC for the increase in authorized capital is not available with the Company, thus the details w.r.t. change in authorized and exact date of meeting cannot be traced.

### **NOTES TO THE CAPITAL STRUCTURE**

#### **1. Equity Share Capital History of our Company**

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

Year/ Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Equity Shares Capital (₹)	Cumulative Share Premium (₹)
As on July 15, 2006 <sup>(1)</sup>	1,39,500	100	100	Cash	Not Available	1,39,500	1,39,50,000	NIL
September 27, 2012 <sup>(2)</sup>	41,000	100	100	Cash	Further Issue	1,80,500	1,80,50,000	NIL
January 27, 2023 <sup>(3)</sup>	Sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each					18,05,000	1,80,50,000	NIL
March 2023 <sup>(4)</sup>	25,00,000	10	10	Cash	Right Issue	43,05,000	4,30,50,000	NIL

<sup>(1)</sup> As per the initial Memorandum of Association of the Company, the initial paid-up capital of the Company is 2,000 Equity Shares of ₹ 100/- each aggregating to ₹ 2,00,000/-. After incorporation the Company has allotted 1,37,500 equity shares of Rs. 100/- each. However the exact details of dates & shares allotment are not available with the Company.

The list of shareholders as on July 15, 2006 as per our records is given below:

Sr. No	Name	No. of Equity Shares
1.	Sangeeta Pandey	56,246
2.	Ragini Pandey	22,509
3.	Satish Kumar Pandey	21,473
4.	Kumar Bihari Pandey	17,500
5.	Sunita Tiwari	12,622
5.	Sanjay Kumar Pandey	6,570
7.	Sweta Pandey	1,300
8.	Uma Pandey	980
9.	Abheshek Pandey	300
<b>Total</b>		<b>1,39,500</b>

Further, there has been transfer of shares between our Promoters / Promoter Groups prior to 2006. However the exact details of dates & shares transfers are not available with the Company.

<sup>(2)</sup> Further Allotment 41,000 Equity Shares of face value of ₹ 100 each allotted on September 27, 2012.

Sr. No	Name	No. of Equity Shares
1.	Sanjay Kumar Pandey	20,000
2.	Satish Kumar Pandey	10,000
3.	Sangeeta Pandey	9,000
4.	Ragini Pandey	2,000
<b>Total</b>		<b>41,000</b>

<sup>(3)</sup> Pursuant to EGM held on January 27, 2023, our Company has subdivided the face value of the Equity Share from ₹ 100/- to ₹ 10/- each.

<sup>(4)</sup> Right Issue of 25,00,000 Equity Shares of Face Value of ₹10/- each allotted on March 30, 2023.

Sr. No	Name	No. of Equity Shares
1.	Sanjay Kumar Pandey	13,00,000
2.	Satish Kumar Pandey	11,00,000
3.	Ragini Pandey	1,00,000
<b>Total</b>		<b>25,00,000</b>

- Our Company has not issued Equity Shares for consideration other than cash.
- No shares have been allotted in terms of any scheme approved under sections 391-394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013.
- Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
- Our Company has not re-valued our assets since inception and has not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
- Our Company has not issued any equity shares lower than the Issue Price during the preceding 1 (one) year except as stated below:

Date of Allotment	Name of the Allottees	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Promoters / Promoters Group	Reasons for Allotment
March 30, 2023	Sanjay Kumar Pandey	13,00,000	10	10	Yes	Right Issue
	Satish Kumar Pandey	11,00,000			Yes	
	Ragini Pandey	1,00,000			Yes	
<b>Total</b>		<b>25,00,000</b>				

## 7. Shareholding Pattern of our Company

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

Category (I)	Category of shareholder(II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No. of Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								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	Total								
A	Promoters & Promoters Group	8	43,05,000	-	-	43,05,000	100.00%	43,05,000	-	43,05,000	100.00%	-	100.00%	-	-	-	-	-
B	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	Non Promoters Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>8</b>	<b>43,05,000</b>	<b>-</b>	<b>-</b>	<b>43,05,000</b>	<b>100.00%</b>	<b>43,05,000</b>	<b>-</b>	<b>43,05,000</b>	<b>100.00%</b>	<b>-</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* All Equity Shares held by our Promoters & members of our Promoter Group will be dematerialized before filing our Prospectus with RoC

- b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Prospectus

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Sanjay Kumar Pandey	16,53,200	38.40%
2.	Satish Kumar Pandey	15,02,230	34.90%
3.	Ragini Pandey	6,52,460	15.16%
4.	Sangeeta Pandey	3,45,090	8.02%
5.	Sunita Viendra Tiwari	1,26,220	2.93%
<b>Total</b>		<b>42,79,200</b>	<b>99.40%</b>

- c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of 10 days prior to the date of this Draft Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share Capital (%)
1.	Sanjay Kumar Pandey	16,53,200	38.40%
2.	Satish Kumar Pandey	15,02,230	34.90%
3.	Ragini Pandey	6,52,460	15.16%
4.	Sangeeta Pandey	3,45,090	8.02%
5.	Sunita Viendra Tiwari	1,26,220	2.93%
<b>Total</b>		<b>42,79,200</b>	<b>99.40%</b>

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

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share Capital (%)
1	Sangeeta Pandey	65,246	36.15%
2	Satish Kumar Pandey	31,473	17.44%
3	Sanjay Kumar Pandey	26,570	14.72%
4	Ragini Pandey	24,509	13.58%
5	Kumar Bihari Pandey	17,500	9.70%
6	Sunita Tiwari	12,622	6.99%
<b>Total</b>		<b>1,77,920</b>	<b>98.57%</b>

- e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of two years prior to the date of this Draft Prospectus.

Sr. No.	Name of the Shareholder	Number of Equity shares	Percentage of the pre-Issue Equity Share Capital (%)
1	Sangeeta Pandey	65,246	36.15%
2	Satish Kumar Pandey	31,473	17.44%
3	Sanjay Kumar Pandey	26,570	14.72%
4	Ragini Pandey	24,509	13.58%
5	Kumar Bihari Pandey	17,500	9.70%
6	Sunita Tiwari	12,622	6.99%
<b>Total</b>		<b>1,77,920</b>	<b>98.57%</b>

- f) Our Company has not made any public issue (including any rights issue to the public) since its incorporation.
- g) Our Company has not issued any warrants, convertible debentures, loan or any other instrument which would entitle the shareholders to equity shares upon exercise or conversion.

8. Except as disclosed in this Draft Prospectus, our Company does not have any intention or proposal to alter our capital structure within a period of 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 exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further public

issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

## 9. Shareholding of our Promoters & Selling Shareholders

As on the date of this Draft Prospectus, our Promoters hold 96.47% of the pre- Issued, subscribed and paid-up Equity Share capital of our Company.

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

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	Cumulative No. of shares	% of Pre Issue Equity Share Capital	% of Post Issue Equity Share Capital
<b>Sanjay Kumar Pandey<sup>(1)</sup></b>								
As on July 15, 2006	Not Available	Cash	6,570	100	100	6,570	0.15%	0.12%
September 07, 2012	Further Issue	Cash	20,000	100	100	26,570	0.46%	0.36%
January 27, 2023	Sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each					2,65,700	-	-
March 28, 2023 <sup>(3)</sup>	Transmission	Other than Cash	87,500	10	NA	3,53,200	2.03%	1.56%
March 30, 2023	Right Issue	Cash	13,00,000	10	10	16,53,200	30.20%	23.11%
<b>Satish Kumar Pandey<sup>(2)</sup></b>								
As on July 15, 2006	Not Available	Cash	21,473	100	100	21,473	0.50%	0.38%
September 07, 2012	Further Issue	Cash	10,000	100	100	31,473	0.23%	0.18%
January 27, 2023	Sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each					3,14,730	-	-
March 28, 2023 <sup>(3)</sup>	Transmission	Other than Cash	87,500	10	NA	4,02,230	2.03%	1.56%
March 30, 2023	Right Issue	Cash	11,00,000	10	10	15,02,230	25.55%	19.56%
<b>Sangeeta Pandey</b>								
As on July 15, 2006	Not Available	Cash	56,246	100	100	56,246	1.31%	1.00%
September 07, 2012	Further Issue	Cash	9,000	100	100	65,246	0.21%	0.16%
January 27, 2023	Sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each					6,52,460	-	-
<b>Ragini Pandey<sup>(4)</sup></b>								
As on July 15, 2006	Not Available	Cash	22,509	100	100	22,509	0.52%	0.40%
September 07, 2012	Further Issue	Cash	2,000	100	100	24,509	0.05%	0.04%
January 27, 2023	Sub-division of the Face Value of Equity Shares from ₹ 100 to ₹ 10 each					2,45,090	-	-
March 30, 2023	Right Issue	Cash	1,00,000	10	10	3,45,090	2.32%	1.78%

<sup>(1)</sup> Out of the total holding of Sanjay Kumar Pandey, shares aggregating up to 66,800 equity shares are offered as part of Offer for Sale.

<sup>(2)</sup> Out of the total holding of Satish Kumar Pandey, shares aggregating up to 66,800 equity shares are offered as part of Offer for Sale.

<sup>(3)</sup> Transmission of Kumar Bihari Pandey (1,75,000 Equity Shares) to Sanjay Kumar Pandey and Satish Bihari Pandey (87,500 Equity Shares each).

<sup>(4)</sup> Out of the total holding of Ragini Pandey, shares aggregating up to 66,800 equity shares are offered as part of Offer for Sale.

**Notes:**

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.

a) Pre-Issue and Post-Issue Shareholding of our, Promoters and Promoters Group

Category of Promoters	Pre-Issue		Post-Issue	
	No. of Shares	% of Pre-Issue Capital	No. of Shares	% of Post-Issue Capital
<b>1. Promoters</b>				
Sanjay Kumar Pandey	16,53,200	38.40%	15,86,400	28.20%
Satish Kumar Pandey	15,02,230	34.90%	14,35,430	25.52%
Sangeeta Pandey	6,52,460	15.16%	6,52,460	11.60%
Ragini Pandey	3,45,090	8.02%	2,78,290	4.95%
<b>2. Promoters Group (as per defined by Reg. 2(1)(pp) of SEBI ICDR Regulations)</b>				
Sunita Tiwari	1,26,220	2.93%	1,26,220	2.24%
Sweta Pandey	13,000	0.30%	13,000	0.23%
Uma Pandey	9,800	0.23%	9,800	0.17%
Abheshek Pandey	3,000	0.07%	3,000	0.05%
<b>Total Promoters &amp; Promoters Group Holding</b>	<b>43,05,000</b>	<b>100.00%</b>	<b>4,104,600</b>	<b>72.97%</b>
<b>Total Paid up Capital</b>	<b>43,05,000</b>	<b>100.00%</b>	<b>5,625,000</b>	<b>100.00%</b>

\*Sanjay Kumar Pandey, Satish Kumar Pandey and Ragini Pandey are also the Promoter Selling Shareholders

10. Our Company has Eight (8) shareholders, as on the date of this Draft Prospectus.

11. We hereby confirm that:

- a) None of the members of the Promoters, Promoters Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Prospectus except as mentioned below:

Date of Transaction	Name of Transferor	Name of Transferee	No. of Shares (F.V. ₹ 10)	Price per share (₹)	Nature of Transaction	Nature of Consideration*
March 28, 2023	Kumar Bihari Pandey	Sanjay Kumar Pandey	87,500	NA	Transmission	Nil
		Satish Kumar Pandey	87,500	NA	Transmission	Nil

- b) None of the members of the Promoters Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus.

## 12. Promoter's Contribution and Lock-in details

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

Pursuant to the Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20% of the Post-Issue Equity Share Capital held by our Promoters shall be considered as promoter's contribution ("Promoter's Contribution") and locked-in for a period of three years from the date of Allotment. The lock-in of the Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of the Promoter's Equity Shares proposed to be locked-in for a period of three years are as follows:

Name of the Promoters	Number of shares locked-in <sup>(1)</sup>	As a % of Post Issue Share Capital
Sangeeta Pandey	6,38,000	11.34%
Satish Kumar Pandey	1,80,000	3.20%
Ragini Pandey	1,60,000	2.84%
Sanjay Kumar Pandey	1,50,000	2.67%
<b>TOTAL</b>	<b>11,28,000</b>	<b>20.05%</b>

<sup>(1)</sup> For details on the date of Allotment of the above Equity Shares, the nature of Allotment, face value and the price at which they were acquired, please refer Note no. 9 under "Notes to Capital Structure" on page no. 52 of this Draft Prospectus

We confirm that in compliance with Regulation 237 of SEBI ICDR Regulations, the minimum Promoters contribution of 20% as shown above which is subject to lock-in for three years does not consist of:

- Equity Shares acquired during the preceding three years 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.
- Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being issued to public in the Issue.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters Contribution are not subject to any pledge.
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters Contribution subject to lock-in.

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

#### 1. Details of share capital locked-in for one (1) year

- Pursuant to Regulation 238 (b) of the SEBI (ICDR) Regulations, in addition to the Promoters Contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue Equity Share capital will be locked in for a period of one (1) year from the date of Allotment in this Issue
- Pursuant to Regulation 242 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoters have been pledged to any person, including banks and financial institutions.
- 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/ Promoters Group or to a new promoters 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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

- iv) 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 Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
13. Neither the Company, nor its Promoters, Directors or the Lead Manager have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
  14. All Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful Applicants will be issued fully paid-up Equity Shares
  15. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
  16. As on date of this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
  17. None of our Directors or Key Managerial Personnel holds Equity Shares in the Company, except as stated in the chapter titled "*Our Management*" beginning on page no. 106 of this Draft Prospectus.
  18. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "*Issue Procedure*" beginning on page no. 191 of this Draft Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
  19. An over-subscription to the extent of 10% of the Fresh Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Fresh 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; so as to ensure that 20% of the post Issue paid-up capital is locked in.
  20. Subject to valid applications being received at or above the Issue Price, under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
  21. 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.
  22. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
  23. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoters Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within 24 hours of such transaction.
  24. Our Promoters and Promoters Group will not participate in the Issue, except by way of participation as Promoter Selling Shareholders, as applicable, in the Offer for Sale.

- 25.** The Promoters and members of our Promoter Group will not receive any proceeds from the Issue, except to the extent of their participation as Promoter Selling Shareholders in the Offer for Sale.
- 26.** Our Company has not re-valued its assets and we do not have any revaluation reserves till date.

## SECTION V- PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprises of Fresh Issue by our Company.

#### Issue Proceeds and Net Issue Proceeds

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

*(₹ in lakhs)*

Particulars	Amount
Gross Proceeds of the Issue	[●]
Less: Issue related expenses <sup>(1)</sup>	[●]
<b>Net Proceeds of the Issue</b>	<b>[●]</b>

<sup>(1)</sup> The Issue expenses are estimated expenses and subject to change.

#### Net Issue

Our Company proposes to utilize the Net Proceeds from Issue towards funding the following objects (collectively, referred to herein as the “Objects”):

1. Funding Working capital requirements;
2. General Corporate Purpose;

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange including to enhance our visibility and our brand image among our existing and potential customers and creation of a public market for our Equity Shares in India.

The main objects and objects incidental and ancillary to the main objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities and (ii) to undertake the activities proposed to be funded from the Net Proceeds.

#### Proposed Schedule of Implementation and Deployment of the Net Proceeds

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

*(₹ in lakhs)*

Sr. No.	Particulars	Amount to be funded from the Net Proceeds	Amount to be deployed from the Net Proceeds in FY 2023-24
1.	Funding Working capital requirements	1,425.00	1,425.00
2.	General Corporate Purpose	[●]	[●]
<b>Total</b>		<b>[●]</b>	<b>[●]</b>

#### Requirements of Funds and Means of Finance

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates and other commercial and technical factors. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with suppliers, variation in cost estimates on account of factors. For further details, see “Risk Factors” – The deployment of the Net Proceeds from the Fresh Issue are based on management estimates and have not been independently appraised by any bank or financial institution and is not subject to any monitoring by any independent agency and our Company’s management will have flexibility in utilizing the Net Proceeds from the Fresh Issue. Any revision in the estimates may require us to reschedule our expenditure and may have a bearing on our expected revenues and earnings. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Fiscals towards the aforementioned objects

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals and/ or debt, as required. If the actual utilization towards any of the objects is lower than the proposed deployment, such balance will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue in accordance with the SEBI ICDR Regulations.

## DETAILS OF THE FUND REQUIREMENTS

### 1. Existing Working Capital and source of funding

The details of our Company's existing working capital gap and source of their funding, based on restated financial for the Financial Year 2021, 2022 & 2023 are provided in the table below:

*(Rs in lakhs)*

Sr. No.	Particulars	Financial Year 2020-21 (Restated)	Financial Year 2021-22 (Restated)	Financial Year 2022-23 (Restated)
<b>I.</b>	<b>Current Assets:</b>			
1.	Inventories	672.88	701.05	923.21
2.	Trade Receivables	246.91	278.90	618.65
3.	Cash and bank balances	49.77	60.82	55.64
4.	Short Term Loans and Advances	21.78	10.00	334.42
5.	Other Current Assets	2.09	1.86	39.30
	<b>Total Current Assets (A)</b>	<b>993.43</b>	<b>1,052.63</b>	<b>1,971.21</b>
<b>II.</b>	<b>Current Liabilities</b>			
1.	Trade Payables	303.36	357.22	455.02
2.	Other Current Liabilities and Short Term Provisions	61.85	83.30	104.27
	<b>Total Current Liabilities (B)</b>	<b>365.21</b>	<b>440.51</b>	<b>559.29</b>
<b>III.</b>	<b>Total Working Capital Gap (A – B)</b>	<b>628.22</b>	<b>612.11</b>	<b>1,411.92</b>
<b>IV.</b>	<b>Funding Pattern:</b>			
1.	Banking Facilities	-	6.19	1,197.55
2.	Unsecured Loan from Related Parties	628.22	605.92	195.79
3.	Owned Funds /Internal Accruals	-	-	18.58

### Basis of estimates & assumptions for holding period

Our Company requires additional working capital on account of increase in sales and raw material prices for the existing manufacturing business. Our product range includes machining parts, various types of mould bases. For smooth flow of production, we keep all the raw materials and bought in product in our inventory. Our raw materials purchase mainly includes Steel, Angle, bar, Channel which require us to timely pay our suppliers, Bulk purchasing and economies of scale can result in cost savings for companies in the mould base industry. By ordering larger quantities of raw materials or finished mould bases, companies can negotiate better prices and reduce per-unit manufacturing costs. Also manufacturing of product involve complex processes and intricate designs, resulting in longer lead times. To accommodate various customization requests, companies may need to maintain a large stock of different types and sizes of mould bases to ensure we can quickly fulfill customer orders. We have adopted a just-in-case inventory strategy to minimize the risk of stock outs or production delays. We prefer to keep a surplus of inventory on hand to quickly respond to unforeseen customer demands or unexpected disruptions in the supply chain. We believe that funding our working capital requirements from the Issue Proceeds will lead to a consequent increase in our profitability due to saving in the raw material cost as Company can negotiate favourable terms with the suppliers.

Creditors give good credit periods as it involves long-term relationships between suppliers and manufacturers. Over time, trust and strong business relationships has developed leading to more flexible credit terms. Suppliers may be

willing to offer a longer credit period to established customers in order to maintain the relationship and secure future business. Mould bases and machining parts are often customized to fit specific customer needs. The customization process involve lead times and complex manufacturing processes to accommodate these requirements, suppliers offer longer credit periods to allow manufacturers enough time to complete the customization and generate revenue before payment is due. Manufacturers in the mould base industry may have strong negotiation power due to their size, reputation, or volume of business. This gave us the ability to negotiate more favorable credit terms with suppliers, including longer credit periods. Suppliers may be willing to accommodate these requests to secure ongoing business from these manufacturers. Longer credit periods provide cash flow advantages for manufacturers in the short term, however it is important to manage credit effectively to avoid excessive debt and potential strain on working capital hence from net proceeds we will pay to creditors and we can avoid excess debt and maintain good relation with creditors.

Our Company proposes to utilize ₹ 1,425.00 lakhs of the Net Proceeds for our working capital requirements. The amount will be utilized during Fiscal 2023-24 towards our Company's working capital requirements. The balance portion of our Company working capital requirements shall be met from the debt facilities availed from banks and internal accruals. The incremental and proposed working capital requirements, as approved by the Board and key assumptions with respect to the determination of the same are mentioned below. Our Company's expected working capital requirements for Financial Year 2023-24 and the proposed funding of such working capital requirements are as set out in the table below:

(Rs in lakhs)

Sr. No.	Particulars	Financial Year 2023-24 (Projected)
<b>I.</b>	<b>Current Assets:</b>	
1.	Inventories	1,700.00
2.	Trade Receivables	1,105.00
3.	Cash and bank balances	75.00
4.	Short Term Loans and Advances	400.00
5.	Other Current Assets	50.00
	<b>Total Current Assets (A)</b>	<b>3,330.00</b>
<b>II.</b>	<b>Current Liabilities</b>	
1.	Trade Payables	375.00
2.	Other Current Liabilities and Short Term Provisions	115.00
	<b>Total Current Liabilities (B)</b>	<b>490.00</b>
<b>III.</b>	<b>Total Working Capital Gap (A – B)</b>	<b>2,840.00</b>
<b>IV.</b>	<b>Funding Pattern:</b>	
1.	Working Capital Facilities from Banks(1)	1,200.00
2.	Other Funding source	195.00
3.	Owned Funds /Internal Accruals (2)	20.00
4.	Part of the Net proceeds to be utilised	<b>1,425.00</b>

(1)Our sanctioned working capital facilities as on date of this Draft Prospectus comprised ₹ 1,547.80 lakhs from banks and other financial institutions.

(2) The Statutory Auditors of the Company, M/s. Keshav Chaubey & Co., Chartered Accountants, vide their certificate dated June 15, 2023 have confirmed that the Company's Internal Accruals /Owned Funds as on March 31, 2023, March 31, 2022 and March 31, 2021, aggregates to ₹ 320.69 lakhs, ₹ (267.02) lakhs, ₹ (348.02) lakhs respectively

Our Statutory Auditor has, pursuant to a certificate dated June 15, 2023, certified the working capital requirements of our Company for the Financial Year 2023-24.

#### Justification for holding period levels

Particulars	Details
<b>Current Assets</b>	
Inventories	In Fiscal 2023 our inventory days were 214 days. We are expecting increase in periods of inventories due to increase in sales and thereby increase in gestation period of our process . Hence, we estimated a Increase in our projected Inventory days to 270 days of Net sales for the Financial Year 2023-24.
Trade Receivables	In Fiscal 2023, our trade receivable were 163 days. Our Company intends to maintain

Particulars	Details
<b>Current Assets</b>	
	good relations with our customers . Accordingly, we estimate that the Trade receivables be encashed within a cycle of approximately 177 days for Fiscal 2023-2024.
<b>Current Liabilities</b>	
Trade Payables	In Fiscal 2023, our trade payables were 382 days. Our Company intends to improve our relations and ensure timely procurement and paying the Creditors in short period of time which will enable us to avail various trade discounts and resulting in better margins. Accordingly, we estimate that the Trade Payables be paid within a cycle of approximately 180 days for Fiscal 2023-24

## 2. General Corporate Purpose

Our management will have flexibility to deploy ₹ [●] lakhs, aggregating to [●]% of the Gross Proceeds towards general corporate purposes, including but not restricted to strategic initiatives, partnerships, joint ventures and strategic entity/ business acquisitions, branding, marketing, new client referral fees meeting exigencies which our Company may face in the ordinary course of business, to renovate and refurbish certain of our existing Company owned/leased and operated facilities or premises, towards brand promotion activities or any other purposes as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

Our management, in accordance with the policies of the Board, will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that in terms of Regulation 230(2) of the SEBI ICDR Regulations, the extent of the Net Proceeds according to this Draft Prospectus, proposed to be used for general corporate purposes, shall not exceed 25% of the amount raised by our Company through the Issue of Equity Shares.

### ISSUE RELATED EXPENSES

The total estimated Issue Expenses are ₹ [●], which is [●] of the total Issue Size. The details of the Issue Expenses are tabulated below:

(₹ in lakhs)				
Sr. No.	Particulars	Amount (₹ in lakhs) <sup>(1)</sup>	% of Total Expenses <sup>(1)</sup>	% of Total Issue size <sup>(1)</sup>
1	Issue Management fees including fees and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	[●]	[●]%	[●]%
2	Brokerage and selling commission <sup>(2)(3)(4)</sup>	[●]	[●]%	[●]%
3	Printing & Stationery, Distribution, Postage, etc.	[●]	[●]%	[●]%
4	Advertisement and Marketing Expenses	[●]	[●]%	[●]%
5	Stock Exchange Fees, Regulatory and other Expenses	[●]	[●]%	[●]%
<b>Total</b>		[●]	[●]%	[●]%

<sup>(1)</sup> Will be incorporated at the time of filing of the Prospectus and on determination of Issue Price and other details.

<sup>(2)</sup> The SCSBs and other intermediaries will be entitled to a commission of ₹ [●]/- per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them.

<sup>(3)</sup> The SCSBs would be entitled to processing fees of ₹ [●] per Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs.

*<sup>(4)</sup>Further the SCSBs and other intermediaries will be entitled to selling commission of [●]% of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them.*

The Issue expenses are estimated expenses and subject to change. The Issue expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective Intermediaries by our Company.

### **Appraisal and Bridge Loans**

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

### **Year wise Deployment of Funds / Schedule of Implementation**

As on the date of this Draft Prospectus, no funds have been deployed on these objects. The entire Issue size is proposed to be deployed in the Financial Year 2023-24.

### **Monitoring of Utilization of Funds**

Since the proceeds from the Issue do not exceed ₹ 10,000 lakhs, in terms of Regulation 262 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee will monitor the utilisation of the proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilised Net Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to the SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a half yearly basis, a statement indicating (i) deviations, if any, in the utilisation of the proceeds of the Issue from the objects of the Issue as stated above; and (ii) details of category wise variations in the utilisation of the proceeds from the Issue from the objects of the Issue as stated above.

### **Interim Use of Funds**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act. Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act. The notice in respect of such resolution to Shareholders shall simultaneously be published in the newspapers, one in English and one in Regional language of the jurisdiction where our Registered Office is situated. The Shareholders who do not agree to the above stated proposal, our Promoter or controlling Shareholders will be required to provide an exit opportunity to such dissenting Shareholders, at a price as may be prescribed by SEBI, in this regard.

### **Other Confirmations / Payment to Promoter and Promoter's Group from the IPO Proceeds**

There are no anticipated transactions in relation to utilization of Net Proceeds with our Promoters, Directors and Key Managerial Personnel. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our Board of Directors, our Key Management Personnel or Enterprise in which our KMP's has significant influence except in the normal course of business in compliance with applicable law.

## BASIS OF ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the key business strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ [●] per Equity Share and is [●] times of the face value. Investors should read the following basis with the sections titled “Risk Factors”, “Financial Information” and the chapter titled “Our Business” beginning on page nos. 22, 128 and 84 respectively, of this Draft Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of Our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

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

1. Strategic Location of Unit
2. Experienced Promoters and team
3. Strong Financial Performance
4. Long standing relationship with Customers

For more details on qualitative factors, refer to chapter “Our Business” on page no. 84 of this Draft Prospectus.

### Quantitative Factors

The information presented in this section is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Financial Statements as Restated” on page no. 128 of this Draft Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

#### 1. Basic and Diluted Earnings / Loss Per Share (“EPS”)

Year ended March 31,	Basic & Diluted	
	EPS (in ₹) <sup>(1)</sup>	Weights
2023	13.96	3
2022	3.35	2
2021	1.10	1
<b>Weighted Average</b>		<b>8.28</b>

<sup>(1)</sup> Based on Restated Financials of our Company

#### Notes:

- a. Basic EPS has been calculated as per the following formula:

$$\text{Basic EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year/period}}$$

- b. Diluted EPS has been calculated as per the following formula:

$$\text{Diluted EPS (₹)} = \frac{\text{Net profit/ (loss) as restated, attributable to Equity Shareholders}}{\text{Diluted Weighted average number of Equity Shares outstanding during the year/period}}$$

- c. Basic and Diluted EPS calculations are in accordance with Accounting Standard 20 “Earnings per Share”, notified under section 133 of Companies Act, 2013 read together with paragraph 7 of Companies (Accounting) Rules, 2014.
- d. The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Financial Statements as appearing in “Annexure IV & V - Financial Information” beginning on page no. 128 of this Draft Prospectus.

## 2. Price Earnings Ratio ("P/E") in relation to the Price of ₹ [●] per share of ₹ 10 each

Particulars	P/E*
P/E ratio based on Basic and Diluted EPS as at March 31, 2023	[●]
P/E ratio based on Weighted Average EPS	[●]

### Industry P/E Ratio\*

We believe that there is no other listed company which is specifically comparable to us w.r.t our business model, size and financials.

## 3. Return on Net worth (RoNW)

Year ended March 31,	RoNW (%) <sup>(1)</sup>	Weight
2023	105.31%	3
2022	(30.33)%	2
2021	(7.66)%	1
<b>Weighted Average</b>	<b>41.27%</b>	

(1) Based on Restated Financials of our Company

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

$$\text{RoNW} = \frac{\text{Net profit/loss after tax, as restated}}{\text{Net worth excluding preference share capital and revaluation reserve}}$$

## 4. Net Asset Value (NAV) based on actual no. of equity shares at the end of the year

Financial Year	NAV (₹)
NAV as at March 31, 2023 (at actual)	7.45
NAV as at March 31, 2023 (after giving effect of Right issue)	13.25
NAV after Issue	[●]
Issue Price (₹)	[●]

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

$$\text{NAV} = \frac{\text{Net worth excluding preference share capital and revaluation reserve}}{\text{Outstanding number of Equity shares at the end of the year}}$$

## 5. Key Performance Indicators

(₹ in Lakhs, except percentages and ratios)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Revenue from operations	1,384.44	873.47	666.36
EBITDA <sup>(1)</sup>	526.69	226.87	192.12
EBITDA Margin (%) <sup>(2)</sup>	38.04%	25.97%	28.83%
Restated profit for the year / period	337.71	80.99	26.66
Restated profit for the year / period Margin (%) <sup>(3)</sup>	24.39%	9.27%	4.00%
Return on Average Equity ("RoAE") (%) <sup>(4)</sup>	105.31%	(30.33)%	(7.66)%
Return on Average Capital Employed ("RoCE") (%) <sup>(5)</sup>	36.76%	59.68%	59.09%
Net Debt / EBITDA Ratio	3.12	5.41	6.88

Notes:

<sup>(1)</sup> EBITDA is calculated as restated profit for the year / period plus tax expense plus depreciation and amortization plus finance costs plus exceptional items.

<sup>(2)</sup> EBITDA Margin is calculated as EBITDA divided by revenue from operations.

<sup>(3)</sup> Restated profit for the year / period margin is calculated as restated profit for the year / period divided by revenue from operations.

<sup>(4)</sup> RoAE is calculated as Net profit after tax divided by Average Equity.

<sup>(5)</sup> RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed.

### Explanation for the Key Performance Indicators

**Revenue from operations:** Revenue from operations represents the total turnover of the business as well as provides information regarding the year over year growth of our Company.

**EBITDA:** EBITDA is calculated as Restated profit / loss for the period plus tax expense plus depreciation and amortization plus finance costs and any exceptional items. EBITDA provides information regarding the operational efficiency of the business of our Company.

**EBITDA margin:** EBITDA Margin the percentage of EBITDA divided by revenue from operations and is an indicator of the operational profitability of our business before interest, depreciation, amortization, and taxes.

**Restated profit for the year / period:** restated profit for the year / period represents the profit / loss that Our Company makes for the financial year or during the given period. It provides information regarding the profitability of the business of our Company.

**Restated profit for the year / period margin:** Restated profit for the year / period Margin is the ratio of Restated profit for the year / period to the total revenue of the Company. It provides information regarding the profitability of the business of our Company as well as to compare against the historical performance of our business.

**Return on Average Equity (“RoAE”):** RoAE refers to Restated profit for the year / period divided by Average Equity for the period. Average Equity is calculated as average of the total equity at the beginning and ending of the period. RoAE is an indicator of our Company’s efficiency as it measures our Company’s profitability. RoAE is indicative of the profit generation by our Company against the equity contribution.

**Return on Capital Employed (“RoCE”):** RoCE is calculated as Earnings before interest and taxes (EBIT) divided by Capital Employed by the Company for the period. RoCE is an indicator of our Company’s efficiency as it measures our Company’s profitability. RoCE is indicative of the profit generation by our Company against the capital employed.

**Net Debt/ EBITDA:** Net Debt to EBITDA is a measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. It shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.

## **6. Comparison with Industry Peers**

We believe that there is no other listed company which is specifically comparable to us w.r.t our business model, size and financials.

7. The face value of our share is ₹10.00 per share and the Issue Price is of ₹[●] per share are [●] times of the face value.
8. The Company in consultation with the Lead Manager believes that the Issue price of ₹[●] per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the Company including important profitability and return ratios, as set out in the Financial Statements included in this Draft Prospectus to have more informed view about the investment proposition. The Face Value of the Equity Shares is ₹ 10 per share and the Issue Price is [●]times of the face value i.e. ₹[●] per share.

## STATEMENT OF TAX BENEFITS

To,  
**The Board of Directors**  
**Sunita Tools Limited**  
Survey No.66, Plot No.A,  
Valiv, Sativali Road,  
Vasai East, Palghar,  
Vasai East IE  
Vasai Thane - 401208.

Dear Sirs,

**Sub: Statement of Possible Special Tax Benefits available to Sunita Tools Limited and its shareholders prepared in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the “Act”).**

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) presently in force in India (together referred to as the “**Direct Tax Laws**”), the Goods and Service Tax laws & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”).

These possible special tax benefits are dependent on the Company and/ or the Company’s shareholders fulfilling the conditions prescribed under relevant Direct Tax Laws, Indirect Tax Laws and other laws. Hence, the ability of the Company or the Company’s shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the Company’s shareholders may or may not choose to fulfil. The Company does not have any subsidiary as on date of the Draft Prospectus.

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and 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 of 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 possible special tax benefits in future; or
- b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and

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

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 change from time to time. We do not assume responsibility to update the views consequent to such changes.

We conducted our examination in accordance with the “Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)” (“**Guidance Note**”) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby give consent to include this Statement in the Draft Prospectus in connection with the proposed initial public offering of the Company.

Yours faithfully,

**For K M A & Co**  
**Chartered Accountants**  
**Firm Registration Number: 111899W**

Sd/-

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**Keshav Chaubey**  
**Senior Partner**  
**Membership Number: 044900**  
**UDIN: 23044900BGUGSL7095**

**Date: 15/06/2023**

**Place: Mumbai**

## Annexure

### STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND COMPANY'S SHAREHOLDERS

Outlined below are the possible special tax benefits available to **Sunita Tools Limited** (“the Company”) and to its Shareholders under the Direct and Indirect Tax Laws in force in India.

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

##### 1. Direct Tax

###### • Lower corporate tax rate under section 115BAA of the Income-tax Act, 1961 (‘the Act’)

Section 115BAA has been inserted in the Act w.e.f. 1 April 2020 (A.Y. 2020-21). Section 115BAA of the Act grants an option to a domestic company to be governed by the section from a particular assessment year. If a company opts for section 115BAA of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and education cess of 4%). Section 115BAA of the Act further provides that domestic companies availing the said option will not be required to pay Minimum Alternate Tax (‘MAT’) on their ‘book profits’ under section 115JB of the Act.

However, such a company will no longer be eligible to avail specified exemptions / incentives/deductions under the Act and will also need to comply with the other conditions specified in section 115BAA of the Act. Further, it shall not be allowed to claim set-off of any brought forward loss arising to it on account of additional depreciation and other specified incentives.

The Company has opted to apply section 115BAA of the Act for Financial Year 2022-23.

##### 2. Indirect Tax

###### • Exemption from payment of tax (GST) on interest income earned from bank deposits and other non-current investments:

The Company is entitled to avail exemption on interest income earned from bank deposits and other non-current investments in terms of Entry No. 28(a) of the Notification No. 9/2017-Integrated Tax (Rate) dated 28 June 2017, as amended from time to time

#### B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

As per section 112A of the Income-tax Act, 1961 (‘the Act’), long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfilment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed INR 100,000.

As per section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfilment of prescribed conditions under the Act.

Notes:

1. The above is as per the current Tax Laws.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. The possible special tax benefits are subject to several conditions and eligibility criteria which need to be examined for precise tax implications.

4. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

**SECTION VI – ABOUT OUR COMPANY**

**INDUSTRY OVERVIEW**

**GLOBAL ECONOMIC OVERVIEW**

The baseline forecast is for growth to fall from 3.4 percent in 2022 to 2.8 percent in 2023, before settling at 3.0 percent in 2024. Advanced economies are expected to see an especially pronounced growth slowdown, from 2.7 percent in 2022 to 1.3 percent in 2023. In a plausible alternative scenario with further financial sector stress, global growth declines to about 2.5 percent in 2023 with advanced economy growth falling below 1 percent. Global headline inflation in the baseline is set to fall from 8.7 percent in 2022 to 7.0 percent in 2023 on the back of lower commodity prices but underlying (core) inflation is likely to decline more slowly. Inflation’s return to target is unlikely before 2025 in most cases.

The natural rate of interest is important for both monetary and fiscal policy as it is a reference level to gauge the stance of monetary policy and a key determinant of the sustainability of public debt. Chapter 2 aims to study the evolution of the natural rate of interest across several large advanced and emerging market economies. Public debt as a ratio to GDP soared across the world during COVID-19 and is expected to remain elevated. Chapter 3 examines the effectiveness of different approaches to reducing debt-to-GDP ratios. Supply-chain disruptions and rising geopolitical tensions have brought the risks and potential benefits and costs of geo economic fragmentation to the center of the policy debate.

Tentative signs in early 2023 that the world economy could achieve a soft landing with inflation coming down and growth steady—have receded amid stubbornly high inflation and recent financial sector turmoil. Although inflation has declined as central banks have raised interest rates and food and energy prices have come down, underlying price pressures are proving sticky, with labor markets tight in a number of economies. Side effects from the fast rise in policy rates are becoming apparent, as banking sector vulnerabilities have come into focus and fears of contagion have risen across the broader financial sector, including nonbank financial institutions. Risks to the outlook are heavily skewed to the downside, with the chances of a hard landing having risen sharply.

<https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>



# Latest World Economic Outlook Growth Projections

(Real GDP, annual percent change)	PROJECTIONS		
	2022	2023	2024
<b>World Output</b>	<b>3.4</b>	<b>2.8</b>	<b>3.0</b>
<b>Advanced Economies</b>	<b>2.7</b>	<b>1.3</b>	<b>1.4</b>
United States	2.1	1.6	1.1
Euro Area	3.5	0.8	1.4
Germany	1.8	-0.1	1.1
France	2.6	0.7	1.3
Italy	3.7	0.7	0.8
Spain	5.5	1.5	2.0
Japan	1.1	1.3	1.0
United Kingdom	4.0	-0.3	1.0
Canada	3.4	1.5	1.5
Other Advanced Economies	2.6	1.8	2.2
<b>Emerging Market and Developing Economies</b>	<b>4.0</b>	<b>3.9</b>	<b>4.2</b>
Emerging and Developing Asia	4.4	5.3	5.1
China	3.0	5.2	4.5
India	6.8	5.9	6.3
Emerging and Developing Europe	0.8	1.2	2.5
Russia	-2.1	0.7	1.3
Latin America and the Caribbean	4.0	1.6	2.2
Brazil	2.9	0.9	1.5
Mexico	3.1	1.8	1.6
Middle East and Central Asia	5.3	2.9	3.5
Saudi Arabia	8.7	3.1	3.1
Sub-Saharan Africa	3.9	3.6	4.2
Nigeria	3.3	3.2	3.0
South Africa	2.0	0.1	1.8
<b>Memorandum</b>			
Emerging Market and Middle-Income Economies	3.9	3.9	4.0
Low-Income Developing Countries	5.0	4.7	5.4

Source: IMF, *World Economic Outlook*, April 2023

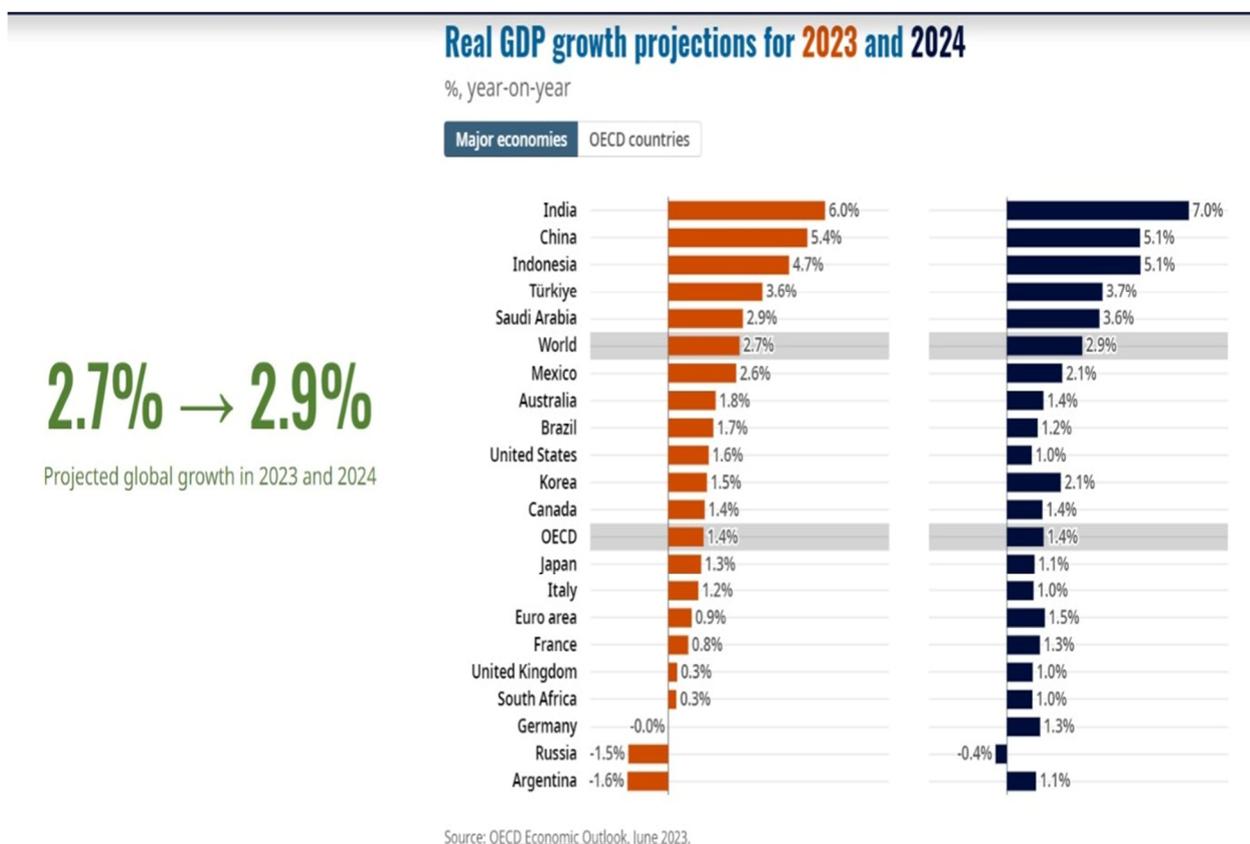
Note: For India, data and forecasts are presented on a fiscal year basis, with FY 2022/2023 (starting in April 2022) shown in the 2022 column. India's growth projections are 5.4 percent in 2023 and 6.3 percent in 2024 based on calendar year.

## INDIAN ECONOMY OVERVIEW

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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

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



### Recent developments

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

- ❖ As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- ❖ The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.

- ❖ Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- ❖ PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- ❖ In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crore (US\$ 17.92 billion).
- ❖ Between April 2000 - June 2022, cumulative FDI equity inflows to India stood at US\$ 604,996 million.
- ❖ In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- ❖ According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- ❖ In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US\$ 7.13 billion)

### **Road ahead**

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFLs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022-23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

### **INDIAN ECONOMY SURVEY 2022-23**

Ms. Nirmala Sitharaman, Union Minister for Finance presented the Economic Survey 2022-23 in the Union Parliament on January 31, 2023. The key highlights of the Economic Survey 2022-23 are as follows:

#### **State of the Economy 2022-23: Recovery Complete**

- Recovering from pandemic-induced contraction, Russian-Ukraine conflict and inflation, the Indian economy is staging a broad-based recovery across sectors, positioning to ascend to the pre-pandemic growth path in FY23.
- India's GDP growth is expected to remain robust in FY24. GDP forecast for FY24 to be in the range of 6-6.8%.
- Private consumption in H1 is the highest since FY15 and this has led to a boost to production activity resulting in enhanced capacity utilisation across sectors.
- The Capital Expenditure of the Central Government and crowding in the private Capex led by strengthening the balance sheets of the Corporates is one of the growth drivers of the Indian economy in the current year.
- The credit growth to the MSME sector was over 30.6% on average during Jan-Nov 2022.
- Retail inflation is back within RBI's target range in November 2022.
- Indian Rupee performed well compared to other Emerging Market Economies in Apr-Dec 2022.
- Direct Tax collections for the period April-November 2022 remain buoyant.
- Enhanced Employment generation seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund.
- Economic growth to be boosted by the expansion of public digital platforms and measures to boost manufacturing output.

### **Industry: Steady Recovery**

- Overall Gross Value Added (GVA) by the Industrial Sector (for the first half of FY23) rose 3.7% which is higher than the average growth of 2.8% achieved in the first half of the last decade.
- The supply response of the industry to the demand stimulus has been robust.
- PMI manufacturing has remained in the expansion zone for 18 months since July 2021, and the Index of Industrial Production (IIP) grows at a healthy pace.
- Credit to Micro, Small and Medium Enterprises (MSMEs) has grown by an average of around 30% since January 2022 and credit to large industries has been showing double-digit growth since October 2022.
- Foreign Direct Investment (FDI) flows into the Pharma Industry have risen four times, from US\$ 180 million in FY19 to US\$ 699 million in FY22.
- The Production Linked Incentive (PLI) schemes were introduced across 14 categories, with an estimated capex of Rs. 4 lakh crore (US\$ 48.8 billion) over the next five years, to plug India into global supply chains. Investment of Rs. 47,500 crore (US\$ 5.8 billion) has been seen under the PLI schemes in FY22, which is 106% of the designated target for the year. Production/sales worth Rs. 3.85 lakh crore (US\$ 47 billion) and employment generation of 3.0 lakh have been recorded due to PLI schemes.
- Over 39,000 compliances have been reduced and more than 3,500 provisions decriminalized as of January 2023.

(Link: <https://www.ibef.org/economy/economic-survey-2022-23>)

### **INDIAN MANUFACTURING INDUSTRY**

Manufacturing is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors.

India is an attractive hub for foreign investments in the manufacturing sector. One of the initiatives by the Government of India's Ministry for Heavy Industries & Public Enterprises is SAMARTH Udyog Bharat 4.0, or SAMARTH Advanced Manufacturing and Rapid Transformation Hubs. This is expected to increase competitiveness of the manufacturing sector in the capital goods market. With impetus on developing industrial corridors and smart cities, the Government aims to ensure holistic development of the nation. The corridors would further assist in integrating, monitoring and developing a conducive environment for the industrial development and will promote advance practices in manufacturing.

### **Advantages of Investment in India**

<b>ROBUST DEMAND</b>	<b>INCREASING INVESTMENT</b>	<b>COMPETITIVE ADVANTAGE</b>
<ul style="list-style-type: none"> <li>• India's manufacturing exports for FY22 reached an unprecedented US\$ 418 billion, an overall growth of more than 40% compared to the US\$ 290 billion from the previous year.</li> <li>• By 2030, Indian middle class is expected to have the second-largest share in global consumption at 17%.</li> </ul>	<ul style="list-style-type: none"> <li>• Propelled by growth in priority sectors and driven by favourable megatrends, India's manufacturing sector has opened itself into new geographies and segments.</li> <li>• Building on the competitive advantage of a skilled workforce and lower cost of labour, the manufacturing sector is also witnessing an increased inflow of capex and heightened M&amp;A activity, leading to a surge in manufacturing output and resultant increased contribution to exports.</li> </ul>	<ul style="list-style-type: none"> <li>• The positive developments in the manufacturing sector, driven by production capacity expansion, government policy support, heightened M&amp;A activity, and PE/VC-led investment, are creating a robust pipeline for the country's sustained economic growth in the years to come.</li> </ul>

(Link: <https://www.ibef.org/industry/manufacturing-sector-india>)

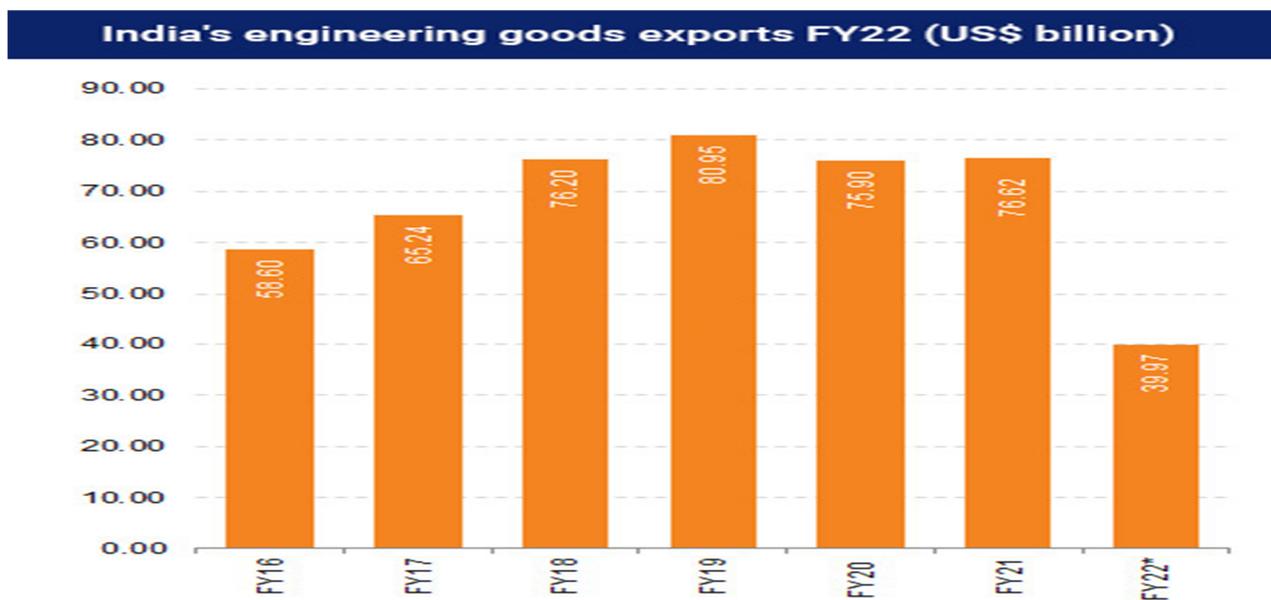
## INDIAN ENGINEERING AND CAPITAL GOODS INDUSTRY

India's Capital Goods manufacturing industry serves as a strong base for its engagement across sectors such as Engineering, Construction, Infrastructure and Consumer goods, amongst others. India's engineering sector has witnessed a remarkable growth over the last few years, driven by increased investment in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of huge strategic importance to India's economy.

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

### Market Size

Capital Goods sector contributes to 12% of India's manufacturing output and 1.8% to GDP. Market valuation of the capital goods industry was US\$ 43.2 billion in FY22.



### Road Ahead

- The electrical equipment market share in India is expected to increase by US\$ 33.74 billion from 2021 to 2025, and the market's growth momentum will accelerate at a CAGR of 9%.
- Investment in engineering R&D sector is expected to reach US\$ 63 billion by 2025.
- Market size for the Indian Construction Equipment Market stood at US\$ 5.2 billion in FY22 and is forecasted to grow at a CAGR of 8.9% to reach US\$ 8.7 billion by 2028.
- The construction equipment industry is expected to sell 165,097 units by 2028.
- The machine tools market is expected to reach US\$ 2.5 billion by 2028, exhibiting a growth rate (CAGR) of 9.4% during 2023-28.
- India's expected export of medical devices will reach ~ US\$ 10 billion by 2025.
- Export of engineering goods is expected to reach US\$ 200 billion by 2030
- Turnover of the capital goods industry was estimated at US\$ 92 billion in 2019 and is forecast to reach US\$ 115.17 billion by 2025. India's engineering R&D market will increase from US\$ 36 billion in FY19 to US\$ 63 billion by FY25. The export of engineering goods is expected to reach US\$ 200 billion by 2030.

## INJECTION MOULDED PLASTIC MARKET

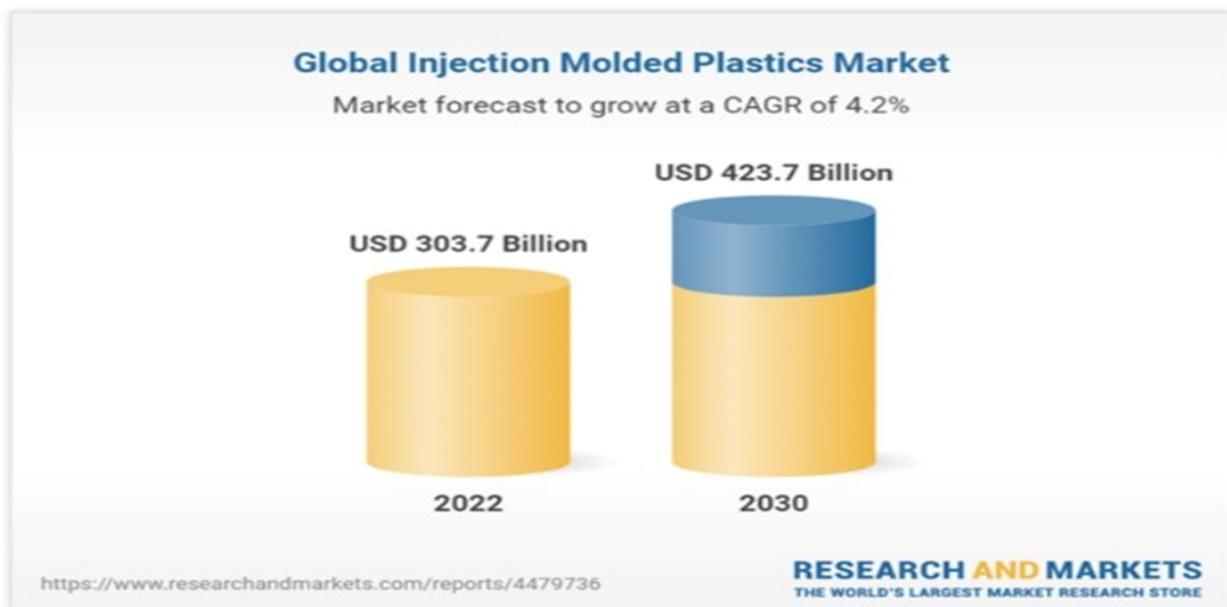
### About

The global injection molded plastics market size is anticipated to reach USD 423.7 billion by 2030, registering a CAGR of 4.2% in the forecast period. Growing demand from key applications including automotive, packaging, and

construction, particularly in Brazil, Russia, India, China, and South Africa (BRICS) nations, is likely to drive the growth. The high-growth regions, such as Middle East and Asia Pacific, have witnessed a surge in capacity addition over the last few years. An increasing number of plastic injection molding companies in China on account of low manufacturing costs and ample availability of skilled labor is anticipated to benefit the regional market.

Major foreign companies are increasing their production capabilities in the region owing to the growing demand for plastic products. Government support in the form of tax benefits and financial incentives in China and India to increase the FDI flow has helped develop the market for plastics in these countries. In packaging applications, High-density Polyethylene (HDPE) is extensively used in thin wall injection molding. Growing demand for food, bin liners, and thing gauge bags is further anticipated to drive the segment growth over the forecast period. Rising penetration of injection-molded HDPE in shipping containers, industrial pails, and houseware applications is anticipated to further drive its demand over the forecast period.

The COVID-19 pandemic has affected the revenue generation of the companies operating in the market owing to the halt or slowdown in the production facilities. Thus, the companies are focusing on stepping up their resources and production capabilities to help in the fight against the pandemic. For instance, G&C products, a U.S.-based plastic injection mold making company that produces plastic products for the fishing and medical industry, started the production of Personal Protective Equipment (PPE), such as face shields and face masks.



(Link: <https://www.researchandmarkets.com/reports/4479736/injection-molded-plastics-market-size-share>)

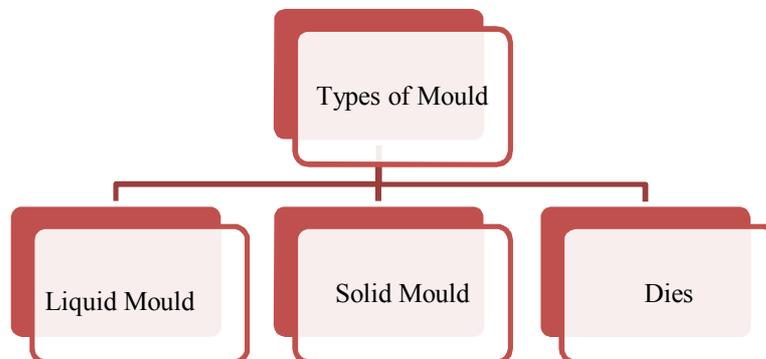
### Injection Moulding Machine Market

DRIVER	RESTRAINTS	OPPORTUNITY
<ul style="list-style-type: none"> <li>High demand from packaging Industry- Due to increase in urban population and spending on packaged good specifically cups &amp; containers.</li> </ul>	<ul style="list-style-type: none"> <li>High initial cost &amp; maintenance cost of machines- the entire systems needs to be replaced in case of motor failure.</li> </ul>	<ul style="list-style-type: none"> <li>Demand from Healthcare industry-It helps to develop lightweight, durable and cost-effective medical devices.</li> </ul>

(Link- <https://www.marketsandmarkets.com/Market-Reports/injection-molding-machine-market-14623149.html>)

## DIE & MOULD MARKET

The die & mold market is expected to grow from USD 1.8 billion in 2017 to USD X.X billion by 2028, at a Compound Annual Growth Rate (CAGR) of 3.1%. These dies can be made up of various materials such as copper alloy, aluminum alloys, and steel depending on the pressure and strength required for them. The process of manufacturing die includes designing & simulation, machining, and surface treatment.



### Liquid Moulds

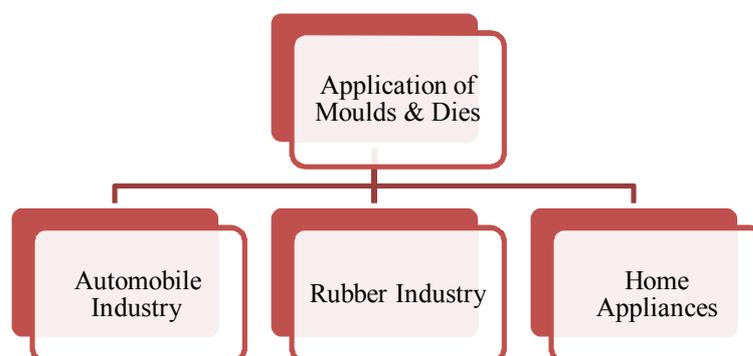
Liquid Moulds are the most commonly used molding process in the die & mold industry. It is a continuous molding system that can be applied to any product that has very complex shapes with several components and thin walls, including medical devices, electronic appliances, etc. This type of molding process is highly used in the automotive and medical equipment industry.

### Solid Moulds

Solid Moulds are a type of die & mold which can be manufactured by injection molding, compression molding, etc. It has high dimensional accuracy and surface quality as it involves no parting line removal or core sanding. This type of mold is a good choice for low-volume production and prototyping. It also helps in improving design flexibility and can reduce cycle time.

### Dies

A die is a tool used to cut or shape material mainly with press machines. The dies are divided into two types – solid & shell molds depending on their construction. Solid Dies have no cavity, but they also prevent pressure from being applied directly onto the material being cut or shaped. The dies are built with high-quality alloy steel that ensures precision in operations & quality results.



### Automobile Industry

Moulds are used for several applications in the automotive industry such as tooling and die casting. Automobile companies use Die to produce metal parts with high accuracy and strength. It is also used for making plastic injection

molds that impact the mass production of vehicles. The global auto-component market has been witnessing significant growth on account of increasing automotive production.

### Rubber Industry

Moulds are used in the tire industry to manufacture rubber products, such as tires. A Die is a tool that is used to shape or cut metal into different shapes. It can be of many types including flat die, sanding/polishing dies, and others depending on the application. The mold also known as die is generally made of hard metal like steel or cast iron. It has two halves that are hinged together with a lock to hold the die & mold in place during the manufacturing process.

### Home Appliance

Mould is used in Home appliances to provide the proper shape of plastic parts. Mold manufacturing companies are providing various sizes and types of dies Molds that can be suited for different purposes. These dies help manufacturers manufacture the required product with perfect shape, design, and features that meet industry standards.

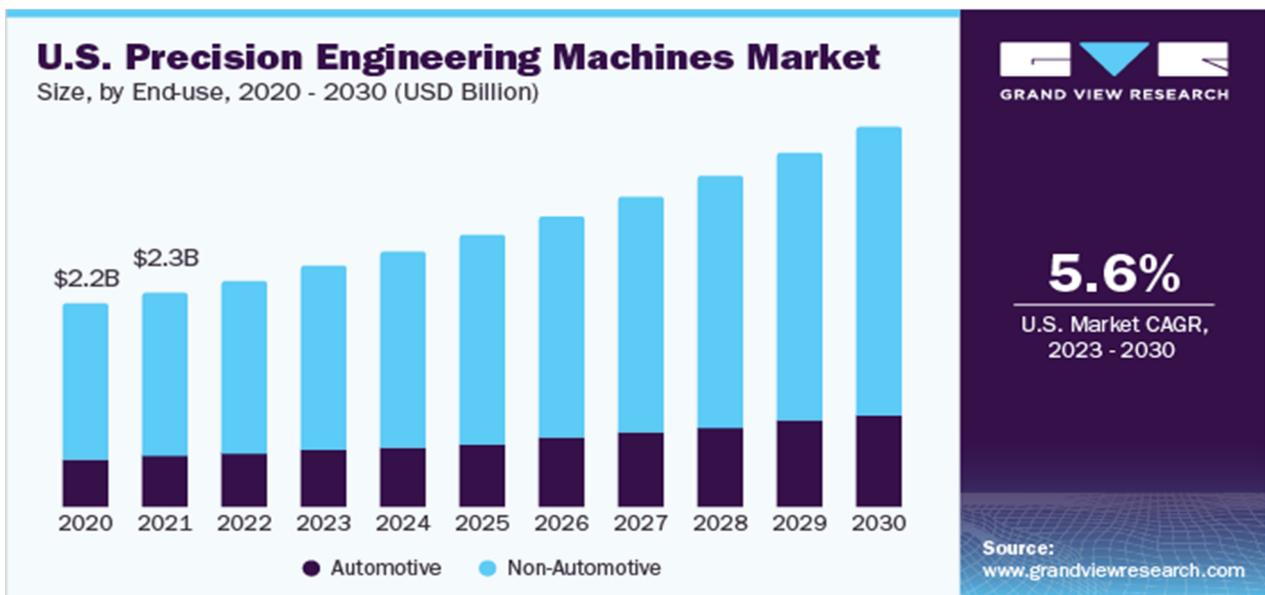
(Link: <https://dataintel.com/report/global-die-%26amp%3B-mould-market>)

## PRECISION ENGINEERING MACHINES

### Overview

The global precision engineering machines market size was valued at USD 13.07 billion in 2022 and is expected to grow at a compound annual growth rate (CAGR) of 6.8% from 2023 to 2030. The rising demand for advanced precision machining solutions and the emphasis on lowering downtime to boost production efficiency, boost accuracy, and optimize machining procedures are the main factors for the expansion of the market. By reducing machining time, advanced machining techniques help to reduce the cost of materials, setup, and custom machining. Because of this, manufacturing companies commonly employ precision engineering machinery in their manufacturing spaces.

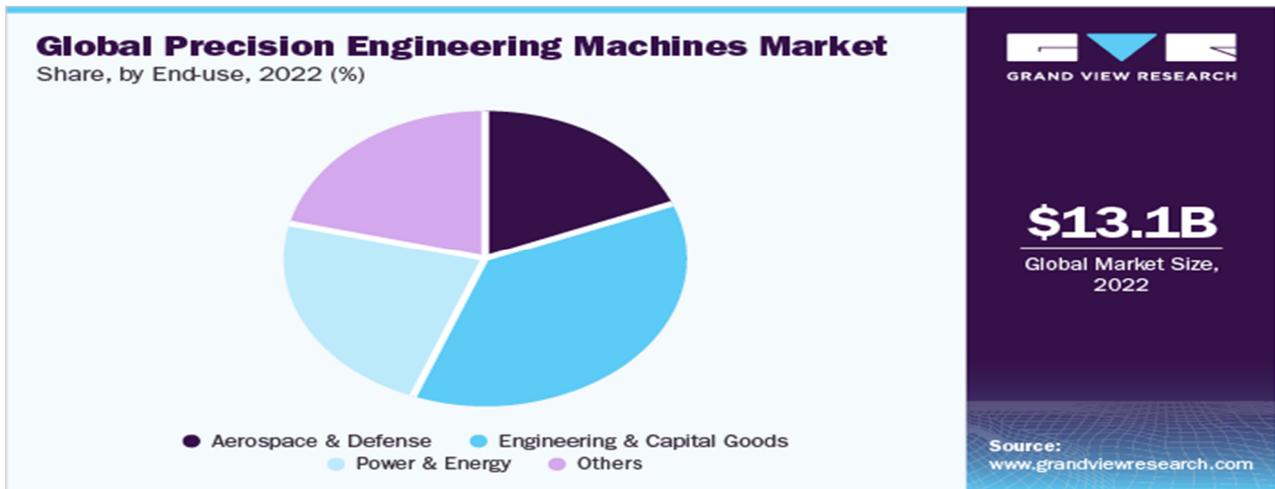
Precision engineering includes the development of precise machine tools and the evaluation of machine design, construction, precision valuation and procedure, research and development, and the manufacturing and very accurate measurement of goods and parts. Precision engineering tools can be used to meet the demands of both mass production and exceedingly fine detail. The accuracy that computerized machining systems provide greatly reduces repeated work and machining time, increasing the effectiveness of industrial operations.



### End-use Insights

The non-automotive segment held the largest market share of nearly 78.0% in 2022. This segment includes aerospace and defense, engineering and capital goods, power and energy, and others. The aerospace industry has observed increased demand for advanced materials such as nickel alloys and titanium alloys in recent years, leading to the increased use of machine tools and cutting tools. In the capital goods industry, heavy equipment and shipbuilding are

expected to experience high demand for precision engineering machinery due to the growing production of heavy equipment in APAC countries such as Japan and China.



### Regional Insights

Asia Pacific dominated the precision engineering machines market in terms of market share in 2022 at over 33.0%. Precision engineering equipment is rapidly gaining importance in China's manufacturing sector. China is seeing profitable growth prospects in products and services, including CNC manufacturing systems and optimized manufacturing service centers in order to meet the growing demand for advanced manufacturing and CNC machining services. Countries like India and South Korea are also experiencing a growth in demand for precision engineering machinery in end-use industries like the automotive and power & energy industries.

## 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 sections titled 'Risk Factor' and 'Financial Information' and the chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page nos. 22, 128 and 154 respectively, of this Draft Prospectus. Unless the context otherwise requires, in relation to business operations, in this chapter of this Draft Prospectus, all references to "we", "us", "our" and "our Company" are to Sunita Tools Limited.*

### OVERVIEW

#### About our Company

Sunita Tools has been in the Engineering and Mould base Industry since over Five decades providing one of its kind customized solutions to various industries with a vision to fulfill tomorrow's requirements today.

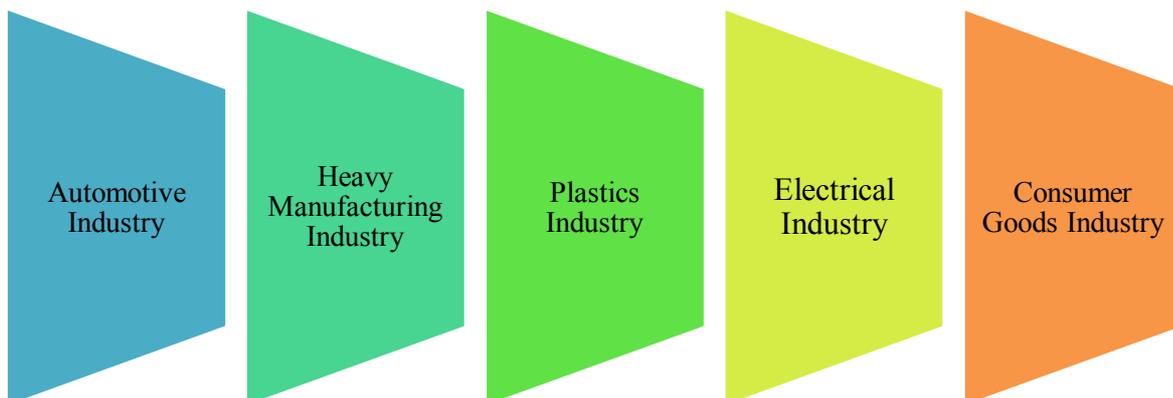
We take pride of being a catalyst in the Industrial Revolution in India and having distinctively established ourselves as one of the most reliable Ground Plates, Mould Bases and Precision CNC Machining Company in India, United Kingdom (U.K), United States of America (U.S.A) and United Arab Emirates (U.A.E.).

Our products are a pre-requisite and act as food to the Manufacturing industries be it Automotive, Pharmaceutical, Electronics, Consumer Goods and most of the Manufacturing Sectors. Our products are mould base and machining parts which are industrial capital goods which undergoes stringent quality tests to meet industry standards before they are delivered to our clients.

Our manufacturing facility in Vasai, Mumbai has many strategic advantages. The area in which it is located is a well developed industrial area providing easy availability of resources, easy to & fro logistics & transportation enhances efficiency of timely delivery as per convenience of our customers. This location gives a competitive edge over competitors to our business. Our manufacturing facility has proper infrastructure, availability of Labour, Water and Power supply.

Our ability to produce customized quality products, compatible products, guidance throughout the design and manufacturing process, after sale technical support provides us significant competitive advantages. Our commitment to compatibility makes our products & services a flexible and versatile choice compared to others. We endeavor to promptly address any concerns of our business associates through significant senior management engagement.

Our products are used as Capital Assets as inputs in following industries:



Our manufacturing facility is situated at Survey No.66, Plot No.A, Valiv, Sativali Road, Vasai East, Palghar, Vasai East, Thane and Maharashtra, India. It is equipped with modern infrastructure, including cutting-edge technology and advanced machinery, which significantly enhances productivity and efficiency. The facility boasts highly skilled workforce, whose expertise and commitment ensure the production of outstanding high quality precision products.

Our specialization and primary activity is to produce mould base products & machinery parts. Following are list of our products:

- Customized Mould Bases
- Plastic Mould Bases
- Precision Finish CNC Machining
- Pocket Machining

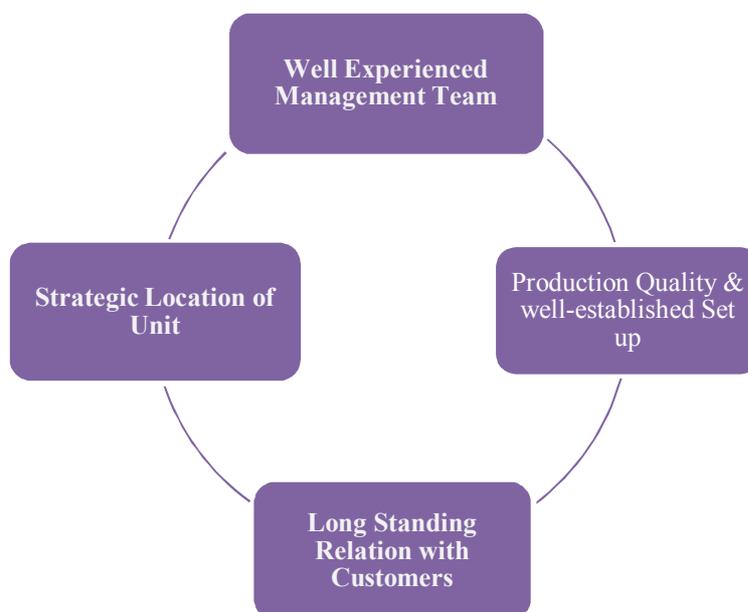
- Injection Mould Bases
- Mould Bases For Caps & Closures
- Standard Mould Bases
- Die Casting Mould Bases
- Over mould Bases
- Precision Component Machining
- Blow Mould Bases
- Compression Mould bases
- Insert Mould Bases
- Prototype Mould Bases

All the mould base & machinery part manufacturing takes place at our manufacturing facility on our machineries which has a capacity to produce large dimensional products ranging from 200\*200 mm to 4000\*2000 mm up to 30 tones in weight.

We have been able to deliver strong performance and were profitable even during periods of Covid-19. Our Restated Revenue from Operation has increased from ₹ 666.36 lakhs in Fiscal 2021, ₹ 873.47 lakhs in fiscal 2022 to ₹ 1,384.44 lakhs in Fiscal 2023 representing a CAGR of 44.14%. We have delivered consistently positive EBITDA amounting to ₹ 192.12 lakhs, ₹ 226.87 lakhs and ₹ 526.69 lakhs in Fiscals 2021, 2022 and 2023. We have been operating irrespective of seasons and external disruption and delivering our promises to customers. Due to our sincerity in work and capabilities of managing under pressure and challenging circumstances we have stayed in business and achieved PAT amounting to ₹ 26.66 lakhs, ₹ 80.99 lakhs and ₹ 337.71 lakhs in Fiscal 2021, 2022 and 2023.

### **Our Competitive Strengths**

Following are our Key Competitive Strengths:



### **Well Experienced Management Team**

Our Promoter Mr. Sanjay Pandey, Mr. Satish Kumar Pandey has significant industry experience and has been instrumental in the growth of the company. They have a strong understanding of the manufacturing process and the various components involved in creating mould bases. Our Company is being managed by promoters and our team with efforts to achieve efficiency in our work each day. We as a team follow Kaizen theory to learn and improve by taking small steps every day and contributing to company in all ways possible.. Promoters and team have expertise in reading and interpreting technical drawings and specifications. Furthermore, they possess a deep understanding of machining processes, materials, and manufacturing techniques used in mould base production. They are familiar with the latest trends and advancements in the field, enabling them to recommend improvements and optimizations to enhance the overall quality and efficiency of the mould base manufacturing process. Promoters have a knack for problem-solving and troubleshooting. They can identify issues or challenges that may arise during production and find effective solutions to ensure the smooth operation of the manufacturing process. Overall, their experience allows them to contribute valuable insights and expertise to the mould base & machinery parts industry, making them an asset to any organization or project they are involved in. With the joint efforts of each one, we perform as one team and achieve our goals strategically. For further details of the educational qualifications and experience of our promoter and senior management please refer to the chapter titled “Our Management’ on page\_\_ of this Draft Prospectus.

**Production Quality & well-established Set up**

Precision is the key to success. We believe that maintaining a high standard of quality for our products is critical to our brand and continued growth. Ever since our inception, we have been laying paramount importance towards quality improvisation of our products. We adhere to stringent quality parameters and ensure strong controls for precision are maintained throughout the processing.

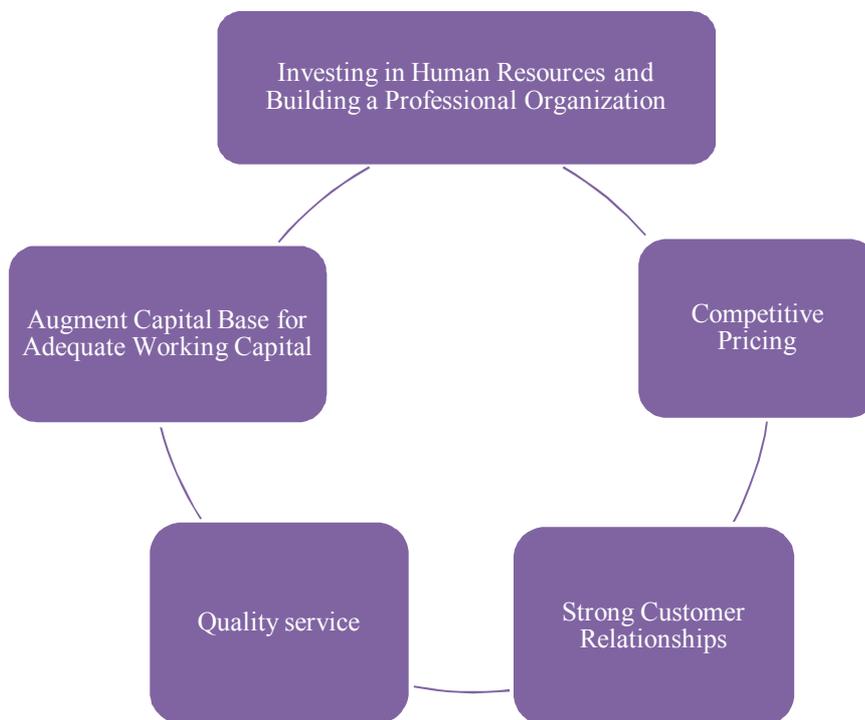
**Long Standing Relation with Customers**

Our business is customer centric and requires optimum utilization of our existing facilities, assuring quality supply of raw materials and achieving consequent economies of scale. We have been able to build trust and establish relations with our major customers for a long time. We deal with various companies and been able to deliver them with consistent products all these years. We produce components which act as an input for these companies and therefore each customer has their own stringent condition relating to quality, time and use of components. The raw material used in production is specified by our customer and we make mould bases on those specific raw materials. We need to supply the goods in their mentioned schedule, lots and boxes as per their given list. We provide prompt assistance, and go the extra mile to resolve any issues or concerns. We make our customers feel heard, valued, and appreciated. We have been able to cater their requirement timely and as specified and therefore over years trust has been built. We regularly ask for feedback on our products, services, and overall experience. We actively listen to their suggestions and address any concerns immediately.

**Strategic Location of Unit**

Our manufacturing hub is located at Vasai, Mumbai which is well developed industrial area & has been growing in terms of industry set up. Our facility has proper infrastructure with good conditions of road and transport facility and availability of Water and Power supply. Labors are easily available from nearby area as these facilitate us to fetch them as per our work load in factory. This location gives a competitive edge over competitors to our business.

**Our Strategies**



**Investing in Human Resources and Building a Professional Organization**

We believe that the successful implementation of our business and growth strategies depends on our employees’ commitment to our vision. We also believe that to sustain our future growth, we need to continue to train and empower our employees. As we expand our business into other geographical region, our ability to successfully train our existing and new employees will play a crucial role. We believe in transparency, commitment and co-ordination in our work,

with our suppliers and customers. We have a blend of experienced, young and sufficient staff for taking care of our day to day operations.

### **Competitive pricing**

In our business, we focus to undertake orders of high transactional value. We intend to offer our services at the competitive prices compare to our competitors. In order to achieve this, we make booking reservations by utilizing our credit cards facilities offered to us by the Financial Institutions and Fintech companies. In this process, we earn cash back offers from them and further pass on some portion of it to our customers which in turn enable us to offer our services at competitive prices. We believe that by providing this benefit to our customers makes us an attractive choice for them to do repetitive business with us. As our financial condition has improved in recent years, we are able to execute transactions of high order value. With the increase in footfall of our customers we intend to monetize our services by charging a fee based on the service provided in the coming years.

### **Strong customer relationships**

Strong relationships provide the foundation for our business. Our client list includes SME/MSME companies from various sectors such as automotive, medical device, electronics & electrical appliances, industrial machineries. Apart from clients we have been able to create a long-term relationship with intermediaries involved in the due process of IPOs such as Printers, Registrar and share transfer agents, legal firms, Printers and advertisers, stock brokers, depository participants, stock exchanges, wealth managers, investment advisors, merchant bankers, NBFCs, banks etc.

### **Quality Service**

We believe in providing quality and timely service to our customers. We have a set of standards for ourselves when it comes to timeliness and quality of service we provide to our customers. We believe that our quality service for the last 55 years has earned us goodwill from our customers, has also helped us to add new customers to our existing customer base. Our company focuses on maintaining the level of consistently in our service, thereby building customer loyalty for our Brand.

### **To build up a professional organization**

We believe that an organization can grow in speed if it is run by team of experience, professionals and new talent. As we go ahead we would like to invest in human resource which will act as a catalyst in our business. Now we are run by promoters and teams of experience who with their knowledge and solutions provide us breakthrough in our day to day challenges. As an organization, we believe in transparency and commitment in our work and with our customers. We will consistently put efforts among its group of experienced employees to transform them into an outstanding team of empowered professionals which helps in further accelerating the wheels of development of the Organization. Further, once our company is listed on stock exchange it opens door for us to attract higher quality managerial staff by providing ESOP etc.

## **DETAILS OF OUR BUSINESS**

### **Location**

#### **Registered Office**

Our Registered Office is located at Survey No.66, Plot No.A, Valiv, Sativali Road, Vasai East IE, Thane, Maharashtra - 401208, India.

#### **Manufacturing Facility**

Our Manufacturing Facility is located at Survey No.66, Plot No.A, Valiv, Sativali Road, Vasai East IE, Thane, Maharashtra - 401208, India

**Our Registered Office and Manufacturing Facility**



**Manufacturing Facility**



**Products and Services**

**1. Mould Bases**

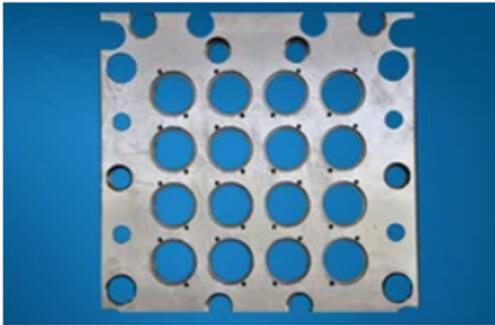
**Custom Mould Bases**



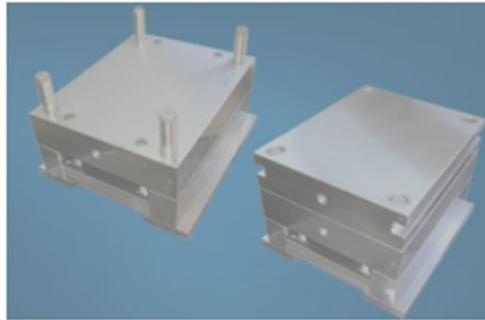
**Plastic Mould Bases**



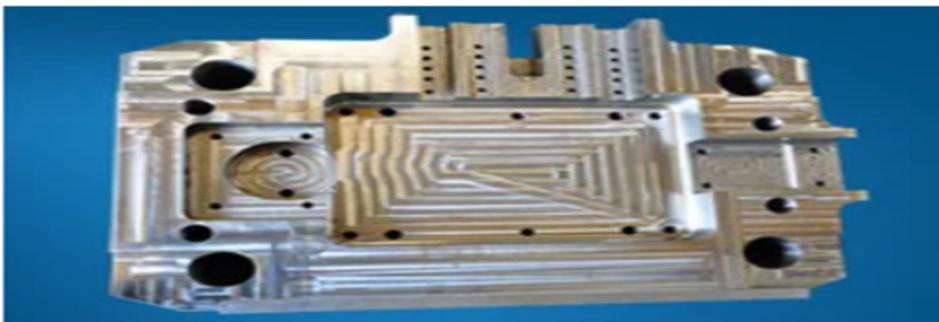
**Mould Bases For Caps & Closures**



**Standard Mould Bases**

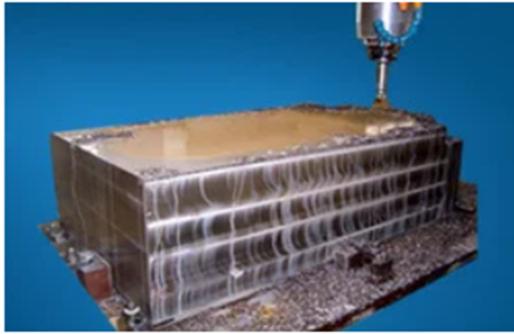


**Die Casting Mould Bases**



## 2. CNC Machining Services

**Precision CNC Machining**



**Precision Finish CNC Machining**



## 3. Precision Machining Services

**Precision Component Machining**



**Pocket Machining**



Prestigious customers who use above products as Capital Goods in their production process are as follows:



### Key Business Process:

**Customer Inquiry and Design Analysis:** This process involves understanding the customer's requirements which they send us along with their product designs, including the type of mould base & machinery parts they need including specifications, if any. Our Company then gives quotation to customers and upon agreement we receive final order along with final design from the customer.

**Material Procurement:** The procurement team identifies and sources the required materials for the mould base production & machine parts, ensuring quality and cost-effectiveness.

**Manufacturing:** The manufacturing process involves converting designs into our machine readable language, machining, cutting, and shaping the materials according to the design specifications. These steps may also include surface finishing, and other processes to enhance the durability and functionality of the mould base.

**Quality Control:** Throughout the manufacturing process, quality control measures are implemented to ensure that the final products meets the required standards and specifications. This may involve inspections, testing, and verification of dimensions and tolerances.

**Packaging and Delivery:** Once the mould base is manufactured and quality-checked, it is packaged securely to prevent damage during transportation. It is then delivered to the customer's location or shipped to their preferred destination.

**Customer Support:** After-sales support is an essential part of the business process. This involves addressing any customer queries, providing technical assistance, and ensuring customer satisfaction.

**Continuous Improvement:** To stay competitive and meet evolving customer needs, continuous improvement is crucial. This involves analyzing feedback, identifying areas for improvement, and implementing changes to enhance the design, manufacturing, and delivery processes.

Overall, the key business process for the mould base industry revolves around understanding customer requirements, designing and engineering the mould base, efficiently manufacturing it, ensuring quality control, and providing excellent customer support.

### **Manufacturing Process**

We are engaged in manufacturing of two core products which involve similar manufacturing process for both types of our products:

- Mould Base Products
- Machining Parts
- 

Description of below mentioned steps in the process are as follows:

**Material Preparation:** The first step in the manufacturing process is to prepare the materials required for the mould base. This may involve cutting the raw materials, such as steel into the desired sizes and shapes.

**Understand machine design:** The company thoroughly understands the machine design for accurately translating the design into a computer program.

**Machining:** After materials are prepared & designs are understood , the machining process begins. This involves using various machining techniques, such as milling, drilling, and turning, to shape of the materials into the desired dimensions and configurations according to the design specifications.

**Surface Finishing:** After the machining and heat treatment processes, the mould base may undergo surface finishing to improve its appearance and functionality. This may include processes like grinding, polishing, and coating to achieve the desired surface smoothness, texture, and corrosion resistance.

**Assembly:** If the mould base consists of multiple components, an assembly process is carried out. This involves fitting together the different parts of the mould base, ensuring proper alignment and functionality.

**Quality Control:** Throughout the manufacturing process, quality control measures are implemented to ensure that the mould base meets the required standards and specifications. This may involve inspections, measurements, and testing of dimensions, tolerances, and material properties.

**Packaging and Shipping:** Once the mould base is manufactured and quality-checked, it is packaged securely to prevent damage during transportation. It is then shipped to the customer's location or their preferred destination.

**Continuous Improvement:** To enhance manufacturing processes and meet customer demands, continuous improvement is essential. This involves analyzing feedback, identifying areas for improvement, and implementing changes to optimize efficiency and quality.

It's important to note that the specific manufacturing process may vary depending on the type of mould base, materials used, and customer requirements. However, these key steps provide a general overview of the manufacturing process in the mould base industry.

### **Plant and Machinery**

We have following Plant and Machinery at our Manufacturing facility:

<b>MACHINE</b>	<b>MAKE</b>	<b>TRAVEL(mm)</b>	<b>LOAD CARING</b>
Vertical Machining Centre(VMC)	Hartford 3190	3000 x 2000 x 900	7000 KGS
Vertical Machining Centre(VMC)	Hartford 1600	1600 x 800 x 650	1500 KGS
Vertical Machining Centre(VMC)	Hartford 1600	1600 x 800 x 650	1500 KGS
Vertical Machining Centre(VMC)	Hartford 2190	2200 x 2000 x 900	6000 KGS
Vertical Machining Centre(VMC)	Hartford 1600	1600 x 800 x 650	1500 KGS
Deckel Maho – DMC - 1035	Deckel Maho	1035 x 550 x 500	-
VMC	Hartford 1600	1600 x 800 x 650mm	-
CNC Milling	Hartford 2060	2000 x 800 x 650	2000 KGS
CNC Milling	Hartford 1270	1200 x 600 x 450	1200 KGS
Radial Drilling	Cspel Hungry	DIA 75 Bore – 2 Nos.	-
Surface Grinding	WMW	1500 x 800 x 600	-
Surface Grinding	Zoccamo - Italia	3000 x 1000 x 1200	-
Horizontal Boring	Saibaura	1600 x 1500 x 800	-
Horizontal Boring	Collet	100 Dia	-
Surface Grinder	Churchill	3800 x 1800 mm	-
Boring	Kearns Richards	1500 x 1200 mm – 200 Dia	-
Milling Machine	WMW	1600 x 900 x 600	-
Milling Machine	WMW	1600 x 900 x 800	-
Compressor	Suvik	2 NOS.	-
Radial Drill Machine	Cspel	63 Dia	-
HZL Surface Grinder	ZVL	1500 x 450mm	-

### **Raw Materials**

We fetch raw materials from domestic market and no difficulty is envisaged in sourcing it. We have different types of qualities in our raw material which we provide as per customer requirements.

Our major raw materials are:

- C-45 Plates
- P-20 Plates
- OHNS/EN

We even purchase bought-out items used in assembling process. Some of items are inserts, guide pins, bushings, ejector systems, and cooling channels. We pre-plan the schedule with production unit and accordingly place order. We have been able to secure timely supply of required materials for our existing activity.

### **Utilities**

#### **Power**

Our manufacturing facility has adequate power supply from Maharashtra State Electricity Distribution Co. Ltd. with a sanctioned and connected load of 400 KW.

#### **Water**

Our Company has made adequate arrangements to meet its water requirements at our manufacturing facility which is met through our own water pump facility at the company.

### **Capacity and Capacity Utilization**

Since our products are customized according to customers' requirements and machines are put to use accordingly, hence Capacity and Capacity utilization does not apply to our Company

### **Our Major Customers**

The percentage of income derived from our top customers for the year ended on March 31, 2023 based on revenue from sale of products and services is as given below:

*(Rs. in lakhs)*

Sr. No.	Particulars	For the year ended March 31, 2023	
		Revenue	Percentage (%)
1.	Income from Top 5 customers	565.68	41.03%
2.	Income from Top 10 customers	1,089.52	79.02%

We constantly try to address the needs of our customers for maintaining a long term working relation with the customers, in order to get continuous business.

### **Export and Export Obligations**

Exports for the year ended on Fiscal 2023, Fiscal 2022, Fiscal 2021 amounts to Rs. 24.32 Lakhs, Nil, Nil respectively.

There are no export obligations as on March 31, 2023.

### **Collaborations**

Our Company has so far not entered into any financial or technical collaboration.

### **Competition**

We believe that the principal factors affecting competition in our business include client relationships, reputation, market focus and the relative quality, price of the products and any ancillary service provided. We face competition from various domestic and other players in the market. Our competitors in the regional level are even from the unorganized sector of the industry. We intend to continue competing vigorously to capture more market share and manage our growth in an optimal way. We expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors. We deal with all companies whose conditions relating to quality, timely supply and as per schedule production and packaging is followed by us with no history of complaints from their side. Therefore, they bring us more business deals due to our work, reputation and trust we have built over the years. The focus will be on expanding to the huge untapped markets in India and abroad as substantial part of the funds will be utilized to strengthen this aspect. We therefore believe that we will be able to grow in a healthy way despite competition.

### **Manpower**

We believe that a motivated and empowered employee base is the key to our operational and business strategy. We believe our employees are one of our most important assets and critical to maintaining our competitive position in our key geographical markets and in our industry. Our ability to maintain the growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. As on March 31, 2023, we have 40 full time employees.

The detailed break-up of our employees is summarized as under:

Sr. No.	Category	Number of Employees
1.	Directors	5
2.	Key Employees - Head of Departments	2
3.	Other Employees	33
<b>Total</b>		<b>40</b>

## **Quality Manual**

A quality manual for mould base & machinery parts production outlines the Quality Management System (QMS) implemented by the company. It serves as a reference document that provides guidance on how to achieve and maintain consistent quality throughout the manufacturing process. It includes purpose & scope of quality manual, company background & overview, quality policy statement; It has clear roles and responsibilities of personnel involved in quality control, document control procedures and requirements. Quality objectives are communicated & monitored for progress. Wherever the processes are outsourced, company identifies and implements suitable control over such processes within Quality Management System.

## **Intellectual Properties**

We do not have any registered trademark as on March 31, 2023.

## **Properties**

The company has two premises, one is owned and another is taken on rent. The land and building on which our factory and registered office is situated is on rented premise & its own land & building is rented out. The details of the same are as below:

<b>Sr. No.</b>	<b>Location</b>	<b>Date of Registration of Agreement</b>	<b>Agreement Validity</b>	<b>Owned By</b>	<b>Purpose/ Current usage</b>
1.	Survey Number 66, Plot No 38, Sunita Tools Pvt Ltd, Block sector, Vasai East Naik Pada, Valiv, Palghar	August 20, 2021	36 Months (16/08/2021 to 15/08/2024)	Sunita Tools Limited	Given on lease for Business purpose
2.	Our Manufacturing Facility is located at Survey No.66, Plot No.A, Valiv, Sativali Road, Vasai East IE, Thane, Maharashtra - 401208, India	November 22, 2022	30 Months (November 30,2022 to November 29, 2027)	Sangeeta Kumar Bihari Pandey (Promoter Group)	Registered Office and Manufacturing Unit

## **Insurance**

Our operations are subject to various risks inherent in the industry in which we operate as well as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury, loss of life, severe damage to and destruction of property and equipment and environmental damage. We maintain adequate insurance cover against fire, burglary and other risk, by insuring Plant and machinery, finished stocks and building from ICICI Lombard.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations and such limitations apply with respect to the length of the business interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. For details, please refer the "Risk Factor" on page no. 22 of this Draft Prospectus

## KEY REGULATIONS AND POLICIES

*The following description is an overview of certain sector-specific relevant laws and regulations in India which are applicable to the operations of our Company. The description of laws and regulations set out below is not exhaustive and is only intended to provide general information to Bidders. The information in this section is neither designed nor intended to be a substitute for professional legal advice and investors are advised to seek independent professional legal advice.*

*The statements below are obtained from publications available in the public domain based on the current provisions of applicable Indian law, and the judicial, regulatory and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative, quasi-judicial or judicial decisions/actions and our Company or the Lead Manager are under no obligation to update the same.*

Our Company has been in the Engineering and Mould base Industry since over Five decades providing one of its kind customized solutions to various industries with a vision to fulfill tomorrow's requirements today. We take pride of being a catalyst in the Industrial Revolution in India and having distinctively established ourselves as one of the most reliable Ground Plates, Mould Bases and Precision CNC Machining Company in India, United Kingdom (U.K), United States of America (U.S.A) and United Arab Emirates (U.A.E.).

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

### **A. CORPORATE AND COMMERCIAL LAWS**

#### **Companies Act, 2013**

The Companies Act, 2013 ("Companies Act") deals with laws relating to companies and certain other associations. The Companies Act primarily regulates the formation, financing, functioning, and winding up of companies. The Companies Act prescribes regulatory mechanism regarding all relevant aspects, including organizational, financial, and managerial aspects of companies. It deals with issue, allotment and transfer of securities and various aspects relating to company management. It provides for standard of disclosure in public issues of capital, particularly in the fields of company management and projects, information about other listed companies under the same management, and management perception of risk factors.

#### **Competition Act, 2002**

The Competition Act, 2002 ("Competition Act") aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India ("Competition Commission") which became operational from May 20, 2009, has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising, or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

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

Indian Contract Act codifies the way we enter into a contract, execute a contract, implementation of provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them.

#### **The Specific Relief Act, 1963**

The Specific Relief Act is complimentary to the provisions of the Contract Act and the T.P. Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

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

The transfer of property, including immovable property, between living persons, as opposed to the transfer property by operation of law, is governed by the Transfer of Property Act, 1882 ("T.P. Act."). The T.P. Act establishes the general principles relating to the transfer of property, including among other things, identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. Transfer of property is subject to stamping and registration under the specific statutes enacted for the purposes which have been dealt with hereinafter.

The T.P. Act recognizes, among others, the following forms in which an interest in an immovable property may be transferred:

- Sale: The transfer of ownership in property for a price paid or promised to be paid.
- Mortgage: The transfer of an interest in property for the purpose of securing the payment of a loan, existing or future debt, or performance of an engagement which gives rise to a pecuniary liability. The T.P. Act recognizes several forms of mortgages over a property.
- Charges: Transactions including the creation of security over property for payment of money to another which are not classifiable as a mortgage. Charges can be created either by operation of law, e.g. decree of the court attaching to specified immovable property, or by an act of the parties.
- Leases: The transfer of a right to enjoy property for consideration paid or rendered periodically or on specified occasions.
- Leave and License: The transfer of a right to do something upon immovable property without creating interest in the property.

Further, it may be noted that with regards to the transfer of any interest in a property, the transferor transfers such interest, including any incidents, in the property which he is capable of passing and under the law, he cannot transfer a better title than he himself possesses.

### **The Registration Act, 1908 ("Registration Act")**

The Registration Act, 1908 ("Registration Act") was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

### **The Trademarks Act, 1999**

Under the Trademarks Act, 1999 ("Trademarks Act"), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("the Registrar"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewal fee.

### **The Copyright Act, 1957 ("Copyright Act")**

The Copyright Act grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire. The penalty for general infringement of copyright is imprisonment of maximum 3 (three) years and a fine of up to ₹ 2,00,000/- (Rupees Two Lakhs Only).

### **Indian Stamp Act, 1899 (the “Stamp Act”)**

Under the Indian Stamp Act, 1899 (the “Stamp Act”) stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

### **The Maharashtra Stamp Act, 1958**

The purpose of the Maharashtra Stamp Act, 1958 (the “Stamp Act”) was to streamline and simplify transactions of immovable properties and securities by the State Government. The Stamp Act provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule IA of the Stamp Act. Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

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

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation.

### **The Insolvency and Bankruptcy Code, 2016**

The Insolvency and Bankruptcy Code, 2016 (the “code”) cover Insolvency of individuals, unlimited liability partnerships, Limited Liability partnerships (LLPs) and companies. The Insolvency Regulator (The Insolvency and Bankruptcy Board of India) has been established to exercise regulatory oversight over (a) Insolvency Professionals, (b) Insolvency Professional Agencies and (c) Information Utilities.

### **The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951**

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 (“MSMED Act”) inter-alia seeks to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. The MSMED Act inter-alia empowers the Central Government to classify by notification, any class of enterprises including inter-alia, a company, a partnership, firm or undertaking by whatever name called, engaged in the manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 as: (i) a micro enterprise, where the investment in plant and machinery does not exceed Rs.25,00,000/- (Rupees Twenty Five Lakhs Only); (ii) a small enterprise, where the investment in plant and machinery is more than Rs.25,00,000/- (Rupees Twenty Five Lakh Only) but does not exceed Rs.5,00,00,000/- (Rupees Five Crores Only); or (iii) a medium enterprise, where the investment in plant and machinery is more than Rs.5,00,00,000/- (Rupees Five Crores Only) but does not exceed Rs.10,00,00,000/- (Rupees Ten Crores Only). In case of enterprises engaged in providing or rendering of services, the enterprise may be classified as: (i) a micro enterprise, where the investment in equipment does not exceed Rs.10,00,000/- (Rupees Ten Lakhs Only); (ii) a small enterprise, where the investment in equipment is more than Rs.10,00,000/- (Rupees Ten Lakhs Only) but does not exceed Rs.2,00,00,000/- (Rupees Two Crores Only); or (iii) a medium enterprise, where the investment in equipment is more than Rs.2,00,00,000/- (Rupees Two Crores Only) but does not exceed Rs.5,00,00,000/- (Rupees Five Crores Only). The MSMED Act also inter-alia stipulates that any person who intends to establish, a micro or small enterprise or a medium enterprise engaged in rendering of services, may at his discretion and a medium enterprise engaged in the manufacture or production of goods as specified hereinabove, file a memorandum of micro, small or medium enterprise, as the case may be, with the prescribed authority.

### **Negotiable Instruments Act, 1881**

In India, any negotiable instruments such as cheques are governed by this Act, Section 138 of the Act, makes dishonor of cheques a criminal offence if the cheque is dishonored on the ground of insufficiency of funds in the account maintained by a person who draws the cheque which is punishable with imprisonment as well as fine.

### **The Consumer Protection Act, 2019**

The Consumer Protection Act provides better protection to the interests of consumers. This is enabled with the establishment of consumer councils and other authorities for the settlement of consumers' disputes and matters connected therewith. The Consumer Protection Act protects the consumers against any unfair/restrictive trade practice that has been adopted by any trader or service provider or if the goods purchased by him suffer from any defect or deficiency. In case of consumer disputes, the same can be referred to the redressal forums set up under the Act.

### **Foreign Exchange Management Act, 1999**

Foreign investment in manufacturing sector is governed by the provisions of the FEMA read with the applicable regulations. The Department of Industrial Policy and Promotion (“DIPP”), Ministry of Commerce and Industry has issued ‘Consolidated FDI Policy Circular of 2020’ (“FDI Policy”) which consolidates the policy framework on Foreign Direct Investment (“FDI”), with effect from October 15, 2010. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP till October 15, 2020. The RBI, in exercise of its power under the FEMA, has also notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. The foreign investment in our Company is governed inter alia by the FEMA, as amended, FEMA Regulations, as amended, the FDI Policy issued and amended by way of press notes, and the SEBI FPI Regulations

Currently, 100% FDI is permitted under the automatic route in the companies which are engaged in manufacturing activities

However, an entity 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, can invest only under the Government route

### **Information Technology Act, 2000**

The Information Technology Act, 2000 (also known as ITA-2000, or the IT Act) is an Act of the Indian Parliament (No 21 of 2000) notified on 17 October 2000. It is the primary law in India dealing with cybercrime and electronic commerce. Secondary or subordinate legislation to the IT Act includes the Intermediary Guidelines Rules 2011 and the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rule, 2021. The laws apply to the whole of India.

The Act provides a legal framework for electronic governance by giving recognition to electronic records and digital signatures. It also defines cyber-crimes and prescribes penalties for them. If a crime involves a computer or network located in India, persons of other nationalities can also be indicted under the law. The Act directed the formation of a Controller of Certifying Authorities to regulate the issuance of digital signatures. It also established a Cyber Appellate Tribunal to resolve disputes arising from this new law.

## **B. TAX RELATED LEGISLATIONS**

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

Income-tax Act, 1961 (“Income-tax Act”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its ‘Residential Status’ and ‘Type of Income’ involved. Every assessee, under the Income-tax Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

### **Central Goods and Services Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 (“CGST Act”) regulates the levy and collection of tax on the intra-State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

### **Integrated Goods and Services Tax Act, 2017**

Integrated Goods and Services Tax Act, 2017 (“IGST Act”) is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act.

### **Maharashtra Tax on Professions, Trade, Callings and Employments Act, 1975**

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

## **C. INDUSTRY AND LABOUR RELATED LAWS**

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee's provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee's contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Employees State Insurance Act, 1948, as amended (the "ESIC Act")**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **Payment of Gratuity Act, 1972, as amended (the "Gratuity Act")**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

### **Legal Metrology Act, 2009**

The Legal Metrology Act, 2009 ("L.M. Act") governs the standards/units/denominations used for weights and measures as well as for goods which are sold or distributed by weight, measure or number. It also states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the L.M. Act. Moreover, the L.M. Act prohibits any person from quoting any price, issuing a price list, cash memo or other document, in relation to goods or things, otherwise than in accordance with the provisions of the L.M. Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in the Rules made by each State. The Act also provides for Legal Metrology (General) Rules, 2011, which may be followed for due compliance, if the respective State does not provide for Rules in this regard.

### **The Factories Act, 1948**

The Factories Act, 1948 ("Factories Act") seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The term 'factory', as defined under the Factories Act, means any premises which employs or has employed on any day in the previous 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

The following is the rules which are applicable to the Company:

- *Maharashtra Factories Rules, 1963*

### **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.

### **Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017**

Under the provisions of the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 the establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **The Employees’ Compensation Act, 1923**

The Employees’ Compensation Act, 1923 (“EC Act”) has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries caused by accident(s) arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. The EC Act makes every employer liable to pay compensation in accordance with the EC Act if a personal injury/disablement/ loss of life is caused to a workman by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the EC Act within 1 (one) month from the date it falls due, the commissioner appointed under the EC Act may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

### **Equal Remuneration Act, 1976**

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

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

The purpose of Maternity Benefit Act, 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period before and after child birth. It provides, *inter-alia*, for payment of maternity benefits, medical bonus and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

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

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 (twenty) or more persons are employed on any day during an accounting year, who has worked for at least 30 (thirty) working days in a year, is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a company is punishable with imprisonment up to 6 (six) months or a fine up to ₹ 1,000/- (Rupees One Thousand only) or both.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“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 behavior namely, physical contact and advances or a demand or request for sexual favors 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 ₹50,000/-

### **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.

### **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 (“MW Act”) came in to force with the objective to provide for the fixation of a minimum wage payable by the employer to the employee. Under the MW Act, the appropriate government is authorised to fix the minimum wages to be paid to the persons employed in scheduled or non-scheduled employment. Every employer is required to pay not less than the minimum wages to all employees engaged to do any work whether skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to the MW Act, in respect of which minimum rates of wages have been fixed or revised under the MW Act.

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

The Child Labour (Prohibition and Regulation) Act, 1986 (the “CLPR Act”) seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. It also prescribes hours and periods of work, holidays, the requirement of keeping a register, etc for the establishments falling under this act. A shop or a commercial establishment is included under the definition of an “establishment” according to Section 2(iv) of the CLPR Act.

## **D. ENVIORNMENTAL LAWS**

Our Company is also required to obtain clearances under the Environment (Protection) Act, 1986, and other environmental laws such as the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977 and the Air (Prevention and Control of Pollution) Act, 1981, before commencing its operations. To obtain an environmental clearance, a no-objection certificate from the concerned state pollution control board must first be obtained, which is granted after a notified public hearing, submission and approval of an environmental impact assessment (“EIA”) report and an environment management plan (“EMP”).

### **Water**

Legislations to control water pollution are listed below:

The **Water (Prevention and Control of Pollution) Act, 1974** prohibits the discharge of pollutants into water bodies beyond a given standard, and lays down penalties for non-compliance. The Water Act also provides that the consent of the State Pollution Control Board must be obtained prior to opening of any new outlets or discharges, which is likely to discharge sewage or effluent

The **Water (Prevention and Control of Pollution) Cess Act, 1977** provides for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the Central Board and the State Boards for the prevention and control of water pollution constituted under the Water (Prevention and Control of Pollution) Act, 1974.

### **Air**

Legislations to control air pollution are listed below:

The **Air (Prevention and Control of Pollution) Act, 1981** requires that any individual or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity. National Ambient Air Quality Standards (NAAQS) for major pollutants were notified by the Central Pollution Control Board in April 1994.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as Sunita Tools Private Limited on January 12, 1988 under the Companies Act, 1956 with the Registrar of Companies, Mumbai bearing Registration number 045850. The status of the Company was changed to public limited and the name of our Company was changed to Sunita Tools Limited vide Special Resolution dated April 12, 2023. The fresh certificate of incorporation consequent to conversion was issued on April 28, 2023 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U29220MH1988PLC045850.

Our Company has 8 shareholders as on the date of filing of this Draft Prospectus.

### OVERVIEW

Our Company has been in the Engineering and Mould base Industry since over Five decades providing one of its kind customized solutions to various industries with a vision to fulfill tomorrow's requirements today. We take pride of being a catalyst in the Industrial Revolution in India and having distinctively established ourselves as one of the most reliable Ground Plates, Mould Bases and Precision CNC Machining Company in India, United Kingdom (U.K), United States of America (U.S.A) and United Arab Emirates (U.A.E.).

### MAJOR EVENTS IN THE HISTORY OF OUR COMPANY

Year	Major Events / Milestone / Achievements
1988	▪ Incorporation of our Company Sunita Tools Private Limited
2003	▪ Council of International Awards U.K. Best performer – Awarded Year 2002-2003
2009	▪ Enginedered Tooling Solution (Larsen & Turbo) vendor meet - 2008
2018	▪ Synergy - sidel India Pvt Ltd (Pune) Best Performer for the year 2017
2022	▪ Turnover of our Company crossed Rs. 8cr
2023	▪ Turnover of our Company crossed Rs 13 cr
2023	▪ Company converted from Private Limited Company to Public Limited Company vide special resolution passed at General Meeting dated April 12, 2023.

### MAIN OBJECTS OF OUR COMPANY

1. To carry on the business of manufacturers and dealers in machine Tools of every description and Kind and in particular machine tools and implements and standard plate for mould and die parts and components and to manufacture, produce, repair, alter, convert, recondition, prepare for sale, buy, sell, hire, import, export, let out on hire trade and deal in machine tools and implements, other machinery, plant equipment, articles, apparatus, appliances, component parts, accessories, fittings, and things in any stage or degree of manufacture, process or refinement.

### CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

Date of Change	Changed From	Change to	Reason for change
February 23, 2017	10, Bhola Bhagwan Indl. Estate I.B. Patel Road, Goregaon (E) Mumbai- 400063.	B-34, B-Wing Building No.18, Shivdham Complex, Gen A.K. Vaidya Marg, Dindoshi, Malad-East, Malad- 400097.	Administrative Reasons
December 05, 2018	B-34, B-Wing Building No.18, Shivdham Complex, Gen A.K. Vaidya Marg, Dindoshi, Malad-East, Malad- 400097	46, Laxminarayan, Yashodham, Film City Road, Nr. Royal Challenge Hotel, Goregaon – East- 400063	Administrative Reasons
May 26, 2023	46, Laxminarayan, Yashodham, Film City Road, Nr. Royal Challenge Hotel, Goregaon – East- 400063	Survey No. 66, Plot No. A, Valiv, Sativali Road, Vasai East, Palghar, Thane 401208	Administrative Reasons

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY IN LAST 10 YEARS

The following changes have been made to the Memorandum of Association of our Company:

Sr. No.	Date of Shareholder's Resolution	Nature of Amendment
1.	January 27, 2023	Each Equity shares of our company of ₹ 100 was sub-divided into Ten Equity Shares of ₹ 10 each and accordingly the authorized share capital of our company was amended from ₹ 2,00,00,000 (Two Crore) divided into 2,00,000 (Two Lakhs) Equity Shares of ₹ 100 each to ₹ 2,00,00,000 (Two Crore) divided into 20,00,000 (Twenty Lakhs) Equity Shares of ₹ 10 each
2.	February 27, 2023	The Authorized Share Capital shares of ₹ 2,00,00,000 (Two Crore) divided into 20,00,000 (Twenty Lakhs) Equity Shares of ₹ 10 each was increased to ₹6,00,00,000 (Six Crore) divided into 60,00,000 (Sixty Lakhs) Equity Shares of ₹ 10 each.
3.	April 12, 2023	Upon Conversion from Private Company to Public Company, the name of our company was changed from 'Sunita Tools Private Limited' to 'Sunita Tools Limited' consequent to which a certificate of Incorporation dated April 28, 2023 was issued by the Registrar of Companies, Mumbai.

### OUR HOLDING COMPANY

As on the date of this Draft Prospectus, our Company does not have any Holding Company

### OUR SUBSIDIARIES / JOINT VENTURE

As on the date of this Draft Prospectus, our Company does not have any Subsidiary Company.

### THE AMOUNT OF ACCUMULATED PROFIT / (LOSSES) NOT ACCOUNTED FOR BY OUR COMPANY

There is no accumulated profit / (losses) not accounted for by our Company.

### FINANCIAL PARTNERS

We do not have any financial partners as on the date of this Draft Prospectus.

### STRATEGIC PARTNERS

We do not have any strategic partners as on the date of this Draft Prospectus.

### SHAREHOLDERS' AGREEMENT

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Prospectus.

### OTHER AGREEMENTS

Except the contracts / agreements entered in the ordinary course of the business carried on or intended to be carried on by our Company, we have not entered into any other agreement / contract as on the date of this Draft Prospectus.

### COLLABORATION

Our Company has not entered into any Collaboration as on the date of this Draft Prospectus.

### ACQUISITION OF BUSINESSES/UNDERTAKINGS, MERGER, AMALGAMATION OR REVALUATION OF ASSETS IN LAST 10 YEARS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years.

**TIME/COST OVERRUN IN SETTING UP PROJECTS**

There has been no material time and cost overruns in the Company as on date of this Draft Prospectus.

**LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY INTO NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS, CAPACITY/ FACILITY CREATION OR LOCATION OF PLANTS**

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, and location of our manufacturing facilities, see “*Our Business*” on page 84 of this Draft Prospectus.

**LOCK-OUT AND STRIKES**

There have been no material instances of strikes or lock-outs at any time in our Company.

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

Our Company has not made any defaults / re-scheduling of its borrowings as on date of this Draft Prospectus.

**INJUNCTION OR RESTRAINING ORDERS**

There are no material injunctions/restraining orders that have been passed against the company.

## OUR MANAGEMENT

### BOARD OF DIRECTORS

As on the date of this Draft Prospectus, our Board consists of Six (6) Directors including one (1) Managing Director, two (2) Whole Time Director, one (1) Non – Executive Director and two (2) Non - Executive Independent Directors out of which Two (2) Directors are Woman Directors

The details of the Directors are as mentioned in the below table:

Sr. No.	Name, Designation, Address, Date of Birth, Occupation, Term and DIN	Nationality	Age	Other Directorships
1.	<p><b>Sanjay Kumar Pandey</b> <i>(Chairperson and Whole-time Director)</i></p> <p><b>Date of Birth:</b> March 18, 1969</p> <p><b>Address:</b> 46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063, Maharashtra.</p> <p><b>Date of Appointment as Director:</b> November 01, 2006</p> <p><b>Date of Re-designation as Chairperson and Whole-time Director:</b> May 26, 2023</p> <p><b>Term:</b> Appointed as Chairperson and Whole-time Director for a period of Five years i.e. till May 25, 2028 and is liable to retire by rotation.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00739482</p>	Indian	54 years	NIL
2.	<p><b>Satish Kumar Pandey</b> <i>(Managing Director)</i></p> <p><b>Date of Birth:</b> April 05, 1972</p> <p><b>Address:</b> 46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063 Maharashtra.</p> <p><b>Date of Appointment as Director:</b> October 01, 1993</p> <p><b>Date of Re-designation as Managing Director:</b> May 26, 2023</p> <p><b>Term:</b> Appointed as Managing Director for a period of Five years i.e. till May 25, 2028 and is liable to retire by rotation.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00158327</p>	Indian	51 years	NIL

Sr. No.	Name, Designation, Address, Date of Birth, Occupation, Term and DIN	Nationality	Age	Other Directorships
3.	<p><b>Ragini Pandey</b> (<i>Whole-time Director</i>)</p> <p><b>Date of Birth:</b> August 24, 1972</p> <p><b>Address:</b> 46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063 Maharashtra.</p> <p><b>Date of Appointment as Director:</b> October 01, 1993</p> <p><b>Date of Re-designation as Whole-time Director:</b> May 26, 2023</p> <p><b>Term:</b> Appointed as Whole-time Director for a period of Five years i.e. till May 25, 2028 and is liable to retire by rotation.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00158343</p>	Indian	50 years	<ul style="list-style-type: none"> <li>• Sunita Die Parts Private Limited</li> </ul>
4.	<p><b>Uma Pandey</b> (<i>Non-Executive Director</i>)</p> <p><b>Date of Birth:</b> July 30, 1969</p> <p><b>Address:</b> 46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063 Maharashtra.</p> <p><b>Date of Appointment as Additional Executive Director:</b> March 11, 2023</p> <p><b>Date of Appointment as Non-Executive Director:</b> May 26, 2023</p> <p><b>Term:</b> Liable to retire by rotation.</p> <p><b>Occupation:</b> Business</p> <p><b>DIN:</b> 00739382</p>	Indian	53 years	<ul style="list-style-type: none"> <li>• Sunita Die Parts Private Limited</li> </ul>

Sr. No.	Name, Designation, Address, Date of Birth, Occupation, Term and DIN	Nationality	Age	Other Directorships
5.	<p><b>Nikhil Malpani</b> (<i>Non-Executive Independent Director</i>)</p> <p><b>Date of Birth:</b> July 13, 1991</p> <p><b>Address:</b> Jawahar Colony, Kampoo, Behind Padma School, Gird, Gwalior– 474001, Madhya Pradesh.</p> <p><b>Date of Appointment as Non-Executive Independent Director:</b> June 07, 2023</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director for a period of Five years i.e. till June 06, 2028 and is not liable to retire by rotation.</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 09816032</p>	Indian	32 years	<ul style="list-style-type: none"> <li>• Arrowhead Separation Engineering Limited</li> </ul>
6.	<p><b>Diksha Maheshwari</b> (<i>Non-Executive Independent Director</i>)</p> <p><b>Date of Birth:</b> February 07, 1993</p> <p><b>Address:</b> 121, Lakshmi Nagar, Post Office, Paota B Road, Jodhpur- 342006, Rajasthan.</p> <p><b>Date of Appointment as Non-Executive Independent Director:</b> June 07, 2023</p> <p><b>Term:</b> Appointed as Non-Executive Independent Director for a period of Five years i.e. till June 06, 2028 and is not liable to retire by rotation.</p> <p><b>Occupation:</b> Professional</p> <p><b>DIN:</b> 10200518</p>	Indian	30 years	<ul style="list-style-type: none"> <li>• MFL India Limited</li> </ul>

## BRIEF PROFILE OF OUR DIRECTORS

**Sanjay Kumar Pandey**, aged 54 years is one of the Founding Promoters and currently designated as Chairperson and Whole-time Director of our Company. He was appointed on the Board of our Company w.e.f November 01, 2006. He does not have any specific qualification & does not hold any Bachelor / Master or any professional degree. He has more than three decades of experience in the field of Moulds and Dies Industry. He is responsible for the manufacturing and overall working of our Company. He sets and evolves the strategic direction for our company and its portfolio of offerings, while nurturing a strong leadership team to drive its execution.

**Satish Kumar Pandey**, aged 51 years is one of the Promoters and currently designated as Managing Director of our Company. He was appointed on the Board of our Company w.e.f October 01, 1993. He has completed his Bachelor degree in Commerce from Mumbai University in the year 1993. He has more than three decades of experience in the field of Moulds and Dies Industry. He has also being appointed as Chief Financial Officer w.e.f May 22, 2023. He is responsible for the implementing the marketing strategy and business development of our company. He has been integral part of our company and responsible for formulating various strategies and providing guidance for its implementation in our Company.

**Ragini Pandey**, aged 50 years is one of the Promoters and currently designated as Whole-time Director of our Company. She was appointed on the Board of our Company w.e.f October 01, 1993. She has obtained her Bachelor's degree in Commerce from Delhi University in the year 1994. She has more than three decade of experience in the field of Moulds and Dies Industry. She is responsible for the day to day operations and Business Development of our Company.

**Uma Pandey**, aged 53 years is designated as Non-Executive Director of our Company. She was appointed on the Board of our Company w.e.f March 13, 2023. She has completed Bachelor in Arts from Ajmer University in the year 1990. She is responsible for administration and HR Division and is an integral part of decision making process of our Company. She has an overall experience of more than two decade in the field of Human resources and admin work.

**Nikhil Malpani**, aged 32 years is Non- Executive Independent Director of our Company. He was appointed on the Board of our Company w.e.f. June 07, 2023. He is a Qualified Chartered Accountant and is a member of the Institute of Chartered Accountants of India. He is currently running a practicing Chartered Accountant Firm named M/s. N Malpani & Co and has an experience of more 2 years in the fields of Statutory Bank Audits, Business Valuations and Taxation.

**Diksha Maheshwari**, aged 30 years is Non- Executive Independent Director of our Company. She was appointed on the Board of our Company w.e.f. June 07, 2023. She has completed Bachelor's and Master degree in Commerce from Jai Narain Vyas University, Jodhpur in the year 2013 and 2015 respectively. Further, she has been a member of Institute of Company secretaries of India since 2017. She was previously associated with V.P. Daga & Co., Uma Polymers Limited, Ganesh Housing Corporation Limited. She is currently the Company Secretary of Emblem Holdings Private Limited. She has an experience of over a decade in the field of compliance and secretarial.

## CONFIRMATIONS

As on the date of this Draft Prospectus:

1. Except as stated below; none of the Directors of our Company are related to each other as per Section 2 (77) of the Companies Act, 2013.
  - Sanjay Kumar Pandey and Satish Kumar Pandey are Brothers.
  - Sanjay Kumar Pandey and Uma Pandey are related to each other as Husband and Wife.
  - Satish Kumar Pandey and Ragini Pandey are related to each other as Husband and Wife.
  - Sanjay Kumar Pandey and Ragini Pandey are related to each other as the Brother in Law and Sister in Law.
  - Satish Kumar Pandey and Uma Pandey are related to each other as the Brother in Law and Sister in Law.
2. There are no arrangements or understanding with major shareholders, customers, suppliers or any other entity, pursuant to which any of the Directors or Key Management Personnel were selected as a Director.
3. The Directors of our Company have not entered into any service contracts with our Company which provides for benefits upon termination of employment.
4. None of the Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1) (III) of SEBI (ICDR) Regulations.
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.

8. No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

## **DETAILS OF BORROWING POWERS**

Pursuant to a special resolution passed at an Extra-Ordinary General Meeting of our Company held on May 26, 2023 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 10,000 lakhs.

## **COMPENSATION PAYABLE TO OUR DIRECTORS**

### **1. Sanjay Kumar Pandey, Chairperson and Whole-time Director**

The compensation payable to our Chairperson and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof).

The compensation package payable to him as resolved in the shareholders meeting held on May 26, 2023 is stated hereunder:

The total remuneration Payable to Sanjay Kumar Pandey, Chairperson and Whole time Director, shall not exceed a sum of ₹ 50 lakhs per annum (inclusive of salary, perquisites, benefits, incentives and allowances) for a period of 3 years from May 26, 2023 to May 25, 2026.

### **2. Satish Kumar Pandey, Managing Director**

The compensation payable to our Managing Director will be governed as per the terms of their appointment and shall be subject to the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof).

The compensation package payable to him as resolved in the shareholders meeting held on May 26, 2023 is stated hereunder:

The total remuneration Payable to Satish Kumar Pandey, Managing Director, shall not exceed a sum of ₹ 50 lakhs per annum (inclusive of salary, perquisites, benefits, incentives and allowances) for a period of 3 years from May 26, 2023 to May 25, 2026.

### **3. Ragini Pandey, Whole-time Director**

The compensation payable to our Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof).

The compensation package payable to him as resolved in the shareholders meeting held on May 26, 2023 is stated hereunder:

The total remuneration Payable to Ragini Pandey, Whole time Director, shall not exceed a sum of ₹ 30 lakhs per annum (inclusive of salary, perquisites, benefits, incentives and allowances) for a period of 3 years from May 26, 2023 to May 25, 2026.

#### 4. Uma Pandey, Non-Executive Director

The compensation package payable to her as resolved in the shareholders meeting held on May 26, 2023 is stated hereunder:

Commission not exceeding 30 lakhs p.a. for a period of 3 years from May 26, 2023 to May 25, 2026 as may be approved by the Board of Directors of the Company (including a committee thereof). The said commission shall be paid in addition to the sitting fees (if any).

#### REMUNERATION/COMPENSATION/COMMISSION PAID TO DIRECTORS BY OUR COMPANY AND OUR SUBSIDIARIES

The remuneration / Compensation (including other benefits) paid to our current Directors by our company / subsidiary Companies/ associate Companies, for F.Y. 2022-23 are as follows:

(₹ in lakhs)

Sr. No.	Name of Director	Remuneration / Compensation paid
1.	Sanjay Kumar Pandey	10.20
2.	Satish Kumar Pandey	10.20
3.	Ragini Pandey	6.00

#### SITTING FEES PAYABLE TO NON – EXECUTIVE INDEPENDENT DIRECTOR.

Pursuant to the resolution dated June 17, 2023 passed by the Board of Directors of our Company, the Non-Executive Independent Directors of our Company would be entitled to a sitting fee of ₹ 5,000 for attending every meeting of Board or its committee thereof.

#### SHAREHOLDING OF OUR DIRECTORS

Our Articles of Association do not require our Directors to hold any qualification shares. Further, the details of the shareholding of our Directors as on the date of this Draft Prospectus are as follows:

Sr. No.	Name of the shareholder	No. of Equity Shares	Percentage of Pre-Issue Capital (%)
1.	Sanjay Kumar Pandey	16,53,200	38.40%
2.	Satish Kumar Pandey	15,02,230	34.90%
3.	Ragini Pandey	3,45,090	8.02%
4.	Uma Pandey	9,800	0.23%

#### INTEREST OF DIRECTORS

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, 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 Equity Shares held by them.

Other than Sanjay Kumar Pandey, Satish Kumar Pandey and Ragini Pandey, who are the Promoters and the Directors of our Company, none of our Directors have any interest in the promotion or formation of our Company.

None of our Directors have any interest in any property acquired or proposed to be acquired by the Company.

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 for services rendered as Directors.

No loans have been availed by our Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

None of the Directors is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each of the Directors in accordance with the terms of their appointment.

Except as disclosed in “Note 26 - Related Party Transactions” in the chapter titled “Financial Statements as Restated beginning from page no. 128 of this Draft Prospectus, our Directors do not have any interest in the Company or its business.

### CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of the Director	Date of Change	Reason for Change
Diksha Maheshwari	June 07, 2023	Appointment as Non-Executive Independent Director
Nikhil Malpani	June 07, 2023	Appointment as Non-Executive Independent Director
Sanjay Kumar Pandey	May 26, 2023	Re-designation as Chairperson and Whole-time Director
Satish Kumar Pandey	May 26, 2023	Re-designation as Managing Director
Ragini Pandey	May 26, 2023	Re-designation as Whole-time Director
Uma Pandey	May 26, 2023	Appointment as Non-Executive Director
Uma Pandey	March 11, 2023	Appointment as Additional Executive Director

### CORPORATE GOVERNANCE

In addition to the applicability of provisions of Companies Act, 2013 with respect to corporate governance, provisions of the SEBI (LODR) Regulations, 2015 have also been complied with, to the extent applicable to our Company.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board’s supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board functions either as a full Board or through the various committees constituted to oversee specific operational areas. As on the date of this Draft Prospectus, our Company has Six (6) Directors including one (1) Managing Director, two (2) Whole Time Director, one (1) Non – Executive Director and two (2) Non - Executive Independent Directors.

The following committees have been constituted for compliance with Corporate Governance requirements:

- A. Audit Committee;
- B. Nomination and Remuneration Committee;
- C. Stakeholders Relationship Committee.

#### A. AUDIT COMMITTEE

Our Board has constituted the Audit Committee vide Board Resolution dated June 17, 2023 in accordance with the Section 177 of the Companies Act, 2013. The audit committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Nikhil Malpani	Non-Executive -Independent Director	Chairperson
Diksha Maheshwari	Non-Executive -Independent Director	Member
Satish Kumar Pandey	Managing Director	Member

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

The scope of Audit Committee shall include but shall not be restricted to the following:

- a. Overseeing our Company’s financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- b. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the internal auditor, cost auditor and statutory auditor and the fixation of audit fee;
- c. Reviewing and monitoring the auditor's independence and performance and the effectiveness of audit process;
- d. Approving payments to the statutory auditors, internal and cost auditors for any other services rendered by statutory auditors, internal and cost auditors;
- e. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - i. Matters required to be stated in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)I 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; and
  - vii. Qualifications and modified opinions in the draft audit report.
- f. Reviewing with the management, the quarterly, half – yearly and annual financial statements before submission to the Board for approval;
- g. Scrutiny of inter-corporate loans and investments;
- h. Valuation of undertakings or assets of our Company, wherever necessary;
- i. Evaluating internal financial controls and risk management systems;
- j. Approving or subsequently modifying transactions of our Company with related parties, provided that the audit committee may make omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;

Explanation: The term “related party transactions” shall have the same meaning as provided in Regulation 2(1) (zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or Companies Act, 2013.

- k. 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 Issue Document/Prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- l. Evaluating undertakings or assets of our Company, wherever necessary;
- m. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
- n. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- o. 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;
- p. Discussing with internal auditors on any significant findings and follow up thereon;

- q. 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;
- r. Discussing with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- s. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- t. Approving appointment of the chief financial officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- u. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- v. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws; and
- w. Formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time.
- x. Reviewing the utilisation of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- y. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**The powers of the Audit Committee include the following:**

- i. To investigate activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice;
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary; and
- v. To have full access to the information contained in the records of the Company.

**The Audit Committee shall mandatorily review the following information:**

- i. Management discussion and analysis of financial condition and result 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;
- v. The appointment, removal and terms of remuneration of the chief internal auditor; and
- vi. Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

- annual statement of funds utilized for purposes other than those stated in the Issue Document/Prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations

### Meeting Of Audit Committee and Relevant Quorum

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors.

### B. NOMINATION AND REMUNERATION COMMITTEE

Our Board has constituted the Nomination and Remuneration Committee vide Board Resolution June 17, 2023 in accordance with section 178 of the Companies Act, 2013. The Nomination and Remuneration Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Diksha Maheshwari	Non – Executive Independent Director	Chairperson
Nikhil Malpani	Non – Executive Independent Director	Member
Uma Pandey	Non – Executive Director	Member

The Company Secretary of our Company acts as the Secretary to the Committee.

- Formulate 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;
- Formulation of criteria for evaluation of independent directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance. Our Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- Analysing, monitoring and reviewing various human resource and compensation matters;
- Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

1. Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

#### **Meeting of Nomination and Remuneration Committee and Relevant Quorum**

The quorum necessary for a meeting of the Nomination and Remuneration Committee shall be two members or one third of the members, whichever is greater. The Committee is required to meet at least once a year.

#### **C. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Our Board has constituted the Stakeholders' Relationship Committee vide Board Resolution June 17, 2023 in accordance with Section 178 of the Companies Act, 2013. The Stakeholder's Relationship Committee comprises of:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Diksha Maheshwari	Non-Executive -Independent Director	Chairperson
Uma Pandey	Non-Executive Director	Member
Sanjay Kumar Pandey	Chairperson and Whole-time Director	Member

The Company Secretary of the Company will act as the Secretary of the Committee.

This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Allotment and listing of our shares in future.
- b) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- c) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- d) Reference to statutory and regulatory authorities regarding investor grievances;
- e) To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- f) To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

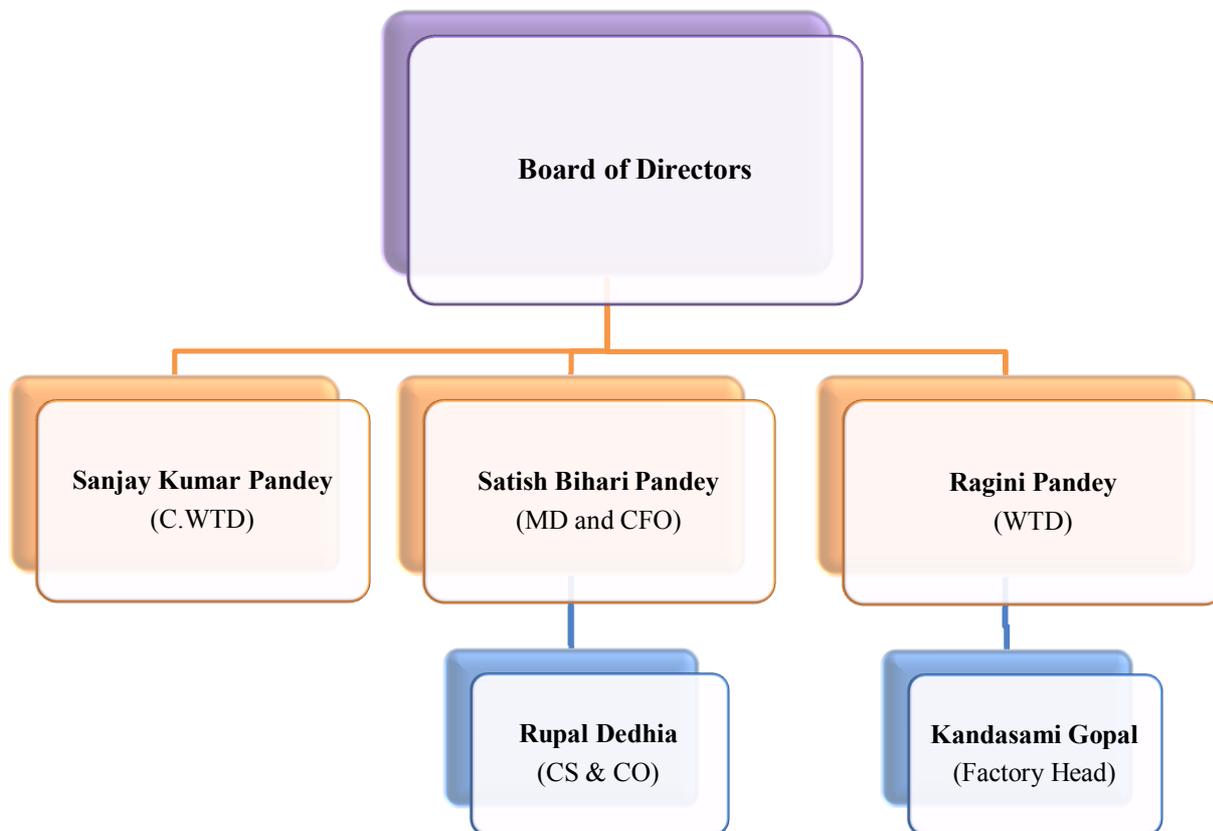
#### **Meeting of Stakeholder's Relationship Committee**

The frequency of meetings of Stakeholders Relationship Committee is at least once a year. The quorum necessary for a meeting of the Stakeholder's Relationship Committee shall be two members or one third of the members, whichever is greater.

#### **POLICY ON DISCLOSURES & INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of Regulation 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the code of conduct under the overall supervision of the board.

## ORGANIZATIONAL STRUCTURE



### Terms & Abbreviations

C. W.T.D	- Chairperson and Whole Time Director
M.D	- Managing Director
W.T.D	- Whole Time Director
C.F.O	- Chief Financial Officer
C.S & C.O	- Company Secretary and Compliance Officer

### KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

**Satish Kumar Pandey** is the Managing Director and Chief Financial Officer of our Company. For details, see “*Brief Profile of our Directors*”. For details of compensation paid to him during Financial Year 2023, see “*Remuneration/ Compensation/ Commission paid to our Directors*”

**Rupal Dedhia**, aged 32 years is the Company Secretary and Compliance Officer of our Company with effect from June 09, 2023. She has completed her Bachelor of Management Studies and Bachelor of Laws from Mumbai University in the year 2011 and 2015 respectively. She is also a Qualified Company Secretary and member of the Institute of Company Secretaries of India since 2021. She has around 7 years of experience (including apprenticeship) in secretarial duties, compliances and legal. Before joining our Company, she was previously associated with Empower India Limited, First Call Advisory India Private Limited, Aditya Birla Sunlife Insurance, Integreon Managed Solutions Limited and Priceline.com Technology India LLP. She is currently responsible to handle entire secretarial duties and compliances. During the Financial Year 2022-23, she was paid Nil remuneration.

**Kandasami Gopal**, aged 52 years is the Factory Head of our Company. He is associated with our company since 2009. He has completed his Diploma in Mechanical Engineering in the year 1991. He has more than 2 decades of experience in production and planning. He currently looks after the factory production of our company. During the Financial Year 2022-23, he was paid a gross compensation of remuneration ₹ 9.75 Lakhs.

**Other Notes –**

- The aforementioned KMP's are on the payrolls of our Company as permanent employees.
- Further, none of our KMPs is forming part of related parties as per the Accounting Standard 18. Except as stated in the chapter titled "*Financial Information- Note 26 of Restated Financial Statements*" on page no. 128 of this Draft Prospectus.

**RELATIONSHIP AMONGST KEY MANAGEMENT PERSONNEL**

None of the aforementioned KMPs are related to each other.

**RELATIONSHIP BETWEEN THE KEY MANAGERIAL PERSONNEL AND DIRECTORS**

Except as disclose below, none of the KMP's are related to Directors.

- Satish Kumar Pandey and Sanjay Kumar Pandey are Brothers.
- Satish Kumar Pandey and Ragini Pandey are related to each other as Husband and Wife.
- Satish Kumar Pandey and Uma Pandey are related to each other as the Brother in Law and Sister in Law.

**SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL**

None of our KMPs holds any shares of our Company as on the date of this Draft Prospectus except Satish Kumar Pandey holds 15,02,230 Equity Shares. For further details please see chapter titled "*Capital Structure*" on page no. 52 of this Draft Prospectus.

**SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL**

Our Key Managerial Personnel have not entered into any service contracts with our Company which provide for any benefits upon termination of their employment in our Company.

**INTEREST OF KEY MANAGERIAL PERSONNEL**

None of our Key Management Personnel has any interest in our Company except to the extent of their remuneration, benefits, reimbursement of expenses incurred by them in the ordinary course of business. Our Key Managerial Personnel may also be interested to the extent of Equity Shares, if any, held by them and any dividend payable to them and other distributions in respect of such Equity Shares.

**LOANS TAKEN BY KEY MANAGEMENT PERSONNEL**

None of our Key Managerial Personnel have any outstanding loan from our Company as on the date of this Draft Prospectus Except as disclosed in "*Financial Information- Note 26- Related Party Transactions of Restated Financial Statements*" on page no. 128 of this Draft Prospectus.

**ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS/ CUSTOMERS/ SUPPLIERS**

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel was selected as a member of our senior management.

**BONUS OR PROFIT SHARING PLAN OF THE DIRECTORS AND KEY MANAGEMENT PERSONNEL**

There is no profit sharing plan for the Key Managerial Personnel. However, our Company makes performance linked bonus payments, in accordance with their terms of appointment.

**CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR DIRECTORS AND KEY MANAGERIAL PERSONNEL**

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form part of their remuneration.

**EMPLOYEE SHARE PURCHASE AND EMPLOYEE STOCK OPTION PLAN**

Presently, we do not have ESOP/ESPS scheme for employees.

**PAYMENT OR BENEFIT TO OUR KEY MANAGERIAL PERSONNEL**

Except for the payment of salaries and yearly bonus, we do not provide any other benefits to our employees except as disclosed in “Note 26- Related Party Transactions” on page no. 128 of this Draft Prospectus.

**CHANGES IN OUR KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS FROM THE DATE OF FILING OF THIS DRAFT PROSPECTUS**

The changes in our Key Managerial Personnel during the three years immediately preceding the date of filing of this Draft Prospectus are set forth below.

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment / Change in Designation</b>	<b>Reason</b>
Rupal Dedhia	Company Secretary & Compliance Officer	June 09, 2023	Appointment
Satish Kumar Pandey	Chief Financial Officer	May 22, 2023	Appointment

## OUR PROMOTERS AND PROMOTER GROUP

### THE PROMOTERS OF OUR COMPANY ARE:

1. Sangeeta Pandey
2. Sanjay Kumar Pandey
3. Satish Kumar Pandey
4. Ragini Pandey

As on the date of this Draft Prospectus, our Promoters hold 41,52,980 Equity Shares in aggregate, representing 96.47% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please see "*Capital Structure –Shareholding of our Promoters*" beginning on page no. 52 of this Draft Prospectus.

The details of our Promoters are provided below:

<b>Sangeeta Pandey</b>	
	<p><b>Sangeeta Pandey</b>, aged 77 years is one of the founding promoter of our Company. She does not have any specific qualification &amp; does not hold any Bachelor / Master or any professional degree. She has more than 3 decades of experience in the areas of business development activities. She has been the strong strength of our company since incorporation. Presently, she provides her intermittent guidance to our Company with respect to the business development activities of our Company.</p> <p><b>Date of Birth:</b> March 14, 1946</p> <p><b>Address:</b> 46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063, Maharashtra.</p> <p><b>PAN:</b> AAFPP8549N</p> <p><b>Other Interests:</b> S. B. Industries</p>
<b>Sanjay Kumar Pandey</b>	
	<p><b>Sanjay Kumar Pandey</b>, aged 54 years is Founding Promoter and is currently designated as Chairperson and Whole-time Director of our Company. He was appointed on the Board of our Company w.e.f November 01, 2006. He does not have any specific qualification &amp; does not hold any Bachelor / Master or any professional degree. He has more than three decades of experience in the field of Moulds and Dies Industry. He is responsible for the manufacturing and overall working of our Company. He sets and evolves the strategic direction for our company and its portfolio of offerings, while nurturing a strong leadership team to drive its execution.</p> <p><b>Date of Birth:</b> March 18, 1969</p> <p><b>Address:</b> 46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063, Maharashtra.</p> <p><b>PAN:</b> AAFPP8548P</p> <p><b>Other Interests:</b></p> <ul style="list-style-type: none"> <li>• SUN- ITA Microsystems</li> <li>• Sunita Engineering Works*</li> <li>• Sunita Die Parts Private Limited</li> </ul>
<b>Satish Kumar Pandey</b>	
	<p><b>Satish Kumar Pandey</b>, aged 51 years is Promoter and is designated as Managing Director of our Company. He was appointed on the Board of our Company w.e.f October 01, 1993. He has completed his Bachelor degree in Commerce from Mumbai University in the year 1993. He has more than three decades of experience in the field of Moulds and Dies Industry. He has also being appointed as Chief Financial Officer w.e.f May 22, 2023. He is responsible for the implementing the marketing strategy and business development of our company. He has been integral part of our company and responsible for formulating various strategies and providing guidance for its implementation in our Company.</p> <p><b>Date of Birth:</b> April 05, 1972</p> <p><b>Address:</b> 46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063, Maharashtra.</p>

	<b>PAN:</b> AAFPP3127J
	<b>Other Interests:</b> <ul style="list-style-type: none"> <li>• SUN- I T A Microsystems</li> <li>• Sunita Die Parts Private Limited</li> </ul>
<b>Ragini Pandey</b>	
	<b>Ragini Pandey</b> , aged 50 years is Promoter and is designated as Whole-time Director of our Company. She was appointed on the Board of our Company w.e.f October 01, 1993. She has obtained her Bachelor’s degree in Commerce from Delhi University in the year 1994. She has more than three decade of experience in the field of Moulds and Dies Industry. She is responsible for the day to day operations and Business Development of our Company.
	<b>Date of Birth:</b> August 24, 1972
	<b>Address:</b> 46, Laxmi Narayan Yashodham, Flim City Road, Goregaon East, Mumbai – 400063, Maharashtra.
	<b>PAN:</b> AAIPP6484H
	<b>Other Interests:</b> NIL

\* *Sunita Engineering Works was sole proprietorship of Kumar Bihari Pandey, transmission of the same in name of Sanjay Kumar Pandey is under process.*

For the complete profile of Our Promoters educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “*Our Management*” on page no. 106 of this Draft Prospectus.

#### **Other Undertakings and Confirmations**

We confirm that the Permanent Account Number, Bank Account Number, Passport Number, Driving License number and Aadhaar Card number of our Promoters shall be submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

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.

Our Promoters has not been declared as a fugitive economic offender under the provisions of section 12 of the Fugitive Economic Offenders Act, 2018.

No violations of securities laws have been committed by our Promoters or members of our Promoter Group or Group Company in the past or are 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 Company (ii) the Companies with which any of our Promoters are or were 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.

#### **CHANGE IN CONTROL OF OUR COMPANY**

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft 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 no. 106 of this Draft Prospectus.

#### **INTEREST OF PROMOTERS**

None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid, rents on properties 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*”, “*Financial Information*” and “*Our Management*” beginning on page nos. 52, 128 and 106 of this Draft Prospectus.

Except as stated otherwise in this Draft 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 other than in the normal course of business. For further details, please refer the section titled “*Restated Financial Statement –Note 26– Related Party Transactions*” on page no. 128 of this Draft Prospectus.

#### **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**

Our Promoters has confirmed that they does not have any interest in any property acquired by our Company within three years preceding the date of this Draft Prospectus or proposed to be acquired by our Company as on the date of this Draft Prospectus except as mentioned under the section “*Our Business -Properties*” and “*Financial Information- Note 26 of Restated Financial Statements*” on page nos. 84 and 128 respectively, of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” on page no. 84 of this Draft Prospectus our Promoters does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

#### **BUSINESS INTERESTS**

Our Promoters is not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of filing of this Draft Prospectus or proposes to enter into any such contract in which our Promoters is directly or indirectly interested and no payments have been made to it in respect of the contracts, agreements or arrangements which are proposed to be made with it.

#### **PAYMENT OF AMOUNTS OR BENEFITS TO THE PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS**

Except as stated in the Section titled “*Financial Information- Note 26 of Restated Financial Statements*” on page no. 128 of this Draft Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Draft Prospectus.

#### **MATERIAL GUARANTEES**

Except as stated in the “*Financial Indebtedness*” and “*Financial Information*” beginning on page nos. 162 and 128 of this Draft Prospectus respectively, our Promoters has not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Prospectus.

#### **OUR PROMOTERS GROUP**

Apart from our Promoters, as per Regulation 2(1)(pp) of the SEBI (ICDR) Regulation, 2018, the following individuals and entities shall form part of our Promoter Group:

##### ***A. Natural Persons who are Part of the Promoter Group***

As per Regulation 2(1) (pp) (ii) of the SEBI (ICDR) Regulations, 2018, the following individuals form part of our Promoter Group:

Name of the Promoters	Name of Relative	Relationship with the Promoter
Sangeeta Pandey	Late Jagarnath Pandey	Father
	Late Ramshakhi Pandey	Mother
	Late Kumar Bihari Pandey	Spouse
	Pashupati Pandey	Brother
	Late Sharda Devi	Sisters
	Sugandha Devi	
	Sanjay Kumar Pandey	Sons
	Satish Kumar Pandey	
	Sunita Tiwari	Daughters
	Neeta Pandey	
	Late Ram Sevak Pandey	Spouse's Father
	Late Juna Devi	Spouse's Mother
	Late Satyanarayan Pandey	Spouse's Brothers
	Bhunesawar Pandey	
	Late Brijan Pandey	Spouse's Sisters
Late Kunti Pandey		
Sanjay Kumar Pandey	Late Kumar Bihari Pandey	Father
	Sangeeta Pandey	Mother
	Uma Pandey	Spouse
	Satish Kumar Pandey	Brother
	Sunta Tiwari	Sisters
	Neeta Pandey	
	Sarvagya Pandey	Son
	Shruti Pandey	Daughters
	Sharadendu Pandey	Spouse's Father
	Madhuri Pandey	Spouse's Mother
	Shiv Prasad Pandey	Spouse's Brother
	Padma Tripathi	Spouse's Sisters
	Radha Tripathi	
	Asha Tripathi	
Namrata Pandey		
Satish Kumar Pandey	Late Kumar Bihari Pandey	Father
	Sangeeta Pandey	Mother
	Ragini Pandey	Spouse
	Sanjay Kumar Pandey	Brother
	Sunta Tiwari	Sisters
	Neeta Pandey	
	Abheshek Pandey	Son
	Shweta Pandey	Daughters
	Nandini Pandey	
	Late Parasnath Tiwari	Spouse's Father
	Shyama Tiwari	Spouse's Mother
Ragini Pandey	Late Parasnath Tiwari	Father
	Shyama Tiwari	Mother
	Satish Kumar Pandey	Spouse
	Abheshek Pandey	Son
	Shweta Pandey	Daughters
	Nandini Pandey	
	Late Kumar Bihari Pandey	Spouse's Father
	Sangeeta Pandey	Spouse's Mother
	Sanjay Kumar Pandey	Spouse's Brother
	Sunita Tiwari	Sisters
	Neeta Pandey	

### ***B. Companies / Corporate Entities Forming Part of the Promoter Group***

As per Regulation 2(1) (pp) (iv) of the SEBI (ICDR) Regulations, 2018, the following Companies/ Trusts/ Partnership firms/ HUFs or Sole Proprietorships are forming part of our Promoter Group:

<b>Sr. No.</b>	<b>Name of Promoter Group Entity/Company</b>
1.	Sunita Die Parts Private Limited
2.	SUN- ITA Microsystem
3.	S. B. Industries
4.	Sunita Engineering Works

### **SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY**

For details of shareholding of members of our Promoter Group as on the date of this Draft Prospectus, please see the chapter titled “*Capital Structure – Notes to Capital Structure*” beginning on page no. 52 of this Draft Prospectus.

### **COMPANIES WITH WHICH THE PROMOTERS HAS DISASSOCIATED IN THE LAST THREE YEARS**

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Prospectus.

### **OUTSTANDING LITIGATION**

There is no outstanding litigation against our Promoters except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 22 and 164 of this Draft Prospectus.

## OUR GROUP COMPANY

The definition of ‘Group Company’ as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, shall include such companies with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

In terms of the SEBI ICDR Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated June 17, 2023, our Group Company includes:

Those companies disclosed as related parties in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last three financial years.

Provided, companies which have been disclosed as related parties in the Restated Financial Statements of our Company for the last three financial years, and which are no longer associated with our Company have not been disclosed as Group Company.

Accordingly, the following is identified as the group company:

1. Sunita Die Parts Private Limited

The detail of our Group Company is provided below:

1. **SUNITA DIE PARTS PRIVATE LIMITED (“SDPPL”)**

### ***Registered Office***

The registered office of SDPPL is situated at 46, Laxminarayan, Yashodham, Film City Road, Nr. Royal Challenge Hotel, Goregaon – East, Mumbai – 400063.

### ***Financial Information***

The financial information derived from the audited financial statements of Sunita Die Parts Private Limited for the last three financial years, as required by the SEBI ICDR Regulations is available on the website of our Company at [www.sunitatools.com](http://www.sunitatools.com).

## NATURE AND EXTENT OF INTEREST OF OUR GROUP COMPANY

### ***a. In the promotion of our Company***

Our Group Company do not have any interest in the promotion of our Company.

### ***b. In the properties acquired by our Company in the preceding three years before filing the Draft Prospectus or proposed to be acquired by our Company***

Our Group Company are not interested, directly or indirectly, in the properties acquired or proposed to be acquired by our Company in the three years preceding the filing of this Draft Prospectus.

### ***c. In transactions for acquisition of land, construction of building and supply of machinery***

Our Group Company are not interested, directly or indirectly, in any transaction for the acquisition of land, construction of building, supply of machinery, or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements, by our Group Company.

## COMMON PURSUITS

Sunita Die Parts Private Limited have been authorised by its Memorandum of Associations to undertake activities which is similar to that of our Company. Further, currently we do not have any non-compete agreement/arrangement

with our Group Company. Such a conflict of interest may have adverse effect on our business and growth. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

#### **RELATED PARTY TRANSACTIONS AND SIGNIFICANCE ON THE FINANCIAL STATEMENTS**

Other than the transactions disclosed in “Note 26- Restated Financial Statements” beginning on page 128 there are no other business transactions between our Company and the Group Company which are significant to the financial performance of our Company.

#### **BUSINESS INTERESTS OR OTHER INTERESTS**

Except as disclosed in “*Financial Statements*” on page no. 128 of this Draft Prospectus, our Group Company has no business interest in our Company.

#### **MATERIAL LITIGATIONS**

Other than as disclosed in “Outstanding Litigations and Material Developments” on page 164 of this Draft Prospectus, our Group Company are not party to any litigation which may have material impact on our Company.

#### **OTHER CONFIRMATIONS**

Our Group Company are not listed on any stock exchange. Our Group Company have not made any public or rights issue of securities in the preceding three years.

## **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 in the last three Financial Years.

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. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by Our Company.

## SECTION VII- FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENTS IN CONNECTION WITH PROPOSED INITIAL PUBLIC OFFERING OF EQUITY SHARES BY SUNITA TOOLS LIMITED

To,

**The Board of Directors,  
M/S Sunita Tools Ltd.  
Plot A, S No. 66,  
Valiv Heavy Indl Area,  
Valiv phatta, Vasai East,  
Palghar, Maharashtra, India**

Dear Sir/Ma'am,

1. We have examined the attached Restated Financial Information along with the Significant Accounting Policies and related notes of Sunita Tools Limited (the 'Company') as at and for the financial year ended on March 31, 2023, March 31, 2022, March 31, 2021 annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Prospectus / Prospectus (being collectively referred as "Offer Document") in connection with its proposed Initial Public Offer ("IPO") on the BSE SME Platform of the BSE Limited ("BSE").
2. The said Restated Financial Statements and other Financial Information have been prepared in accordance with the requirements of:
  - i) Section 26 of Part I of Chapter III of the Companies Act, 2013("the Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments / clarifications from time to time;
  - iii) The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Offer Document being issued by the Company for its proposed IPO of equity shares on EMERGE Platform of the NSE Limited ("NSE"); and
  - iv) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("Guidance Note").
3. We have examined the accompanied 'Restated Statement of Profit and Loss' (**Annexure – II**) for the financial year ended on March 31, 2023, March 31, 2022 and March 31, 2021, the 'Restated Statement of Assets and Liabilities' (**Annexure-I**) as on above dates and 'Restated Financial Statement of Cash Flows' (**Annexure-III**) as on above dates, forming part of the 'Financial Information' dealt with by this Report, detailed below. Both read together with the Significant Accounting Policies and Notes to Accounts (**Annexure – IV & V**) thereon. The Restated Financial Information has been prepared by Company's management. The information has been extracted from the financial statements for the financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020. The Financial Statements for the period ended on March 31, 2023, March 31, 2022 and March 31, 2021 is audited by us M/s K M A & Co being the Statutory Auditor for the respective period, which was approved by the Board of Directors as on June 15, 2023, July 26, 2022 and September 23, 2021 respectively. For the purpose of examination we have relied on Auditor's report issued by us on respective dates.

The Company's Board of Directors is responsible for the preparation of the Restated Financial Statement for the purpose of inclusion in the Draft Prospectus/ Prosopoctus to be filed with BSE Limited (collectively, with BSE Limited, the "Stock Exchange") in connection with the proposed IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure V to the Restated Financial Information. The respective Board of Directors of the company included in the Group are

responsible for designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statement. The Board of Directors is also responsible for identifying and ensuring that Company complies with the Act, ICDR Regulations and the Guidance Note, as applicable.

1. 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 in connection with the proposed IPO of equity shares of the Company;
  - b. The Guidance Note, which 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 Statement; 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.
2. The Restated Financial Information have been compiled by the management from:
  - a. The Audited Indian GAAP Financial Statements of the Group as at and for the year ended March 31, 2023 along with comparative Audited Financial Statements for the year ended March 31, 2022, prepared in accordance with the Accounting Standards (referred to as “Indian GAAP”), which have been approved by the Board of Directors at their meeting held on June 15, 2023. The comparative information as at and for the year ended March 31, 2022 included in such Financial Statements have been prepared by us by making adjustments to the audited consolidated Indian GAAP financial statements as at and for the year ended March 31, 2021, prepared in accordance with the accounting standards notified under the Section 133 of the Act (“Indian GAAP”) which was approved by the Board of Directors at their meeting held on July 26, 2022.
  - b. The Audited GAAP Financial Statements of the Company as at and for the year ended March 31, 2022 along with comparative audited GAAP Financial Statements for the year ended March 31, 2021 (the “GAAP Financial Statements”), prepared in accordance with the Accounting Standards (referred to as “Indian GAAP”), which have been approved by the Board of Directors at their meeting held on July 26, 2022. The comparative information as at and for the year ended March 31, 2021 included in such GAAP Financial Statements have been prepared by us by making adjustments to the Audited GAAP financial statements as at and for the year ended March 31, 2021, prepared in accordance with the accounting standards notified under the Section 133 of the Act (“Indian GAAP”) which was approved by the Board of Directors at their meeting held on September 23, 2021.

For the purpose of our examination, we have relied on reports issued by us dated June 15, 2023, July 26, 2022 and September 23, 2021 in relation to the Financial Statements of the Company as at and for the year ended March 31, 2023, Financial Statements of the Group as at and for the year ended March 31, 2022 and Financial Statements of the Company as at and for the year ended March 31, 2021 respectively as referred in Paragraph 4 above.

4. In terms of Schedule VI (Part A) (11) (II) (i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of Sunita Tools Limited, we, K M A Co, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of the ICAI.
5. Based on our examination, we report that:
  - a. The “Restated Financial Statement of Assets and Liabilities” as set out in **Annexure I**, “Restated Financial Statement of Profit and Loss” as set out in **Annexure II** and “Restated Financial Statement of Cash Flows” as set out in **Annexure III** to this report, of the Company as at March 31, 2023, March 31, 2022 and March 31, 2021 is prepared by the Company and approved by the Board of Directors. These Restated Financial Statements have been arrived at after making such adjustments and regroupings to the 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 & V** to this Report.

- b. The Restated Financial Statements have been made after incorporating adjustments for:
- i. The changes, if any, in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policy for all the reporting period /years.
  - ii. Prior period and other material amount in the respective financial years to which they relate.
  - iii. Extra-ordinary items, if any, that needs to be disclosed separately in the accounts requiring adjustments.
- c. There were no qualifications in the Audit Reports issued by Statutory Auditor(s) for the period ended on March 31, 2023, March 31, 2022 and March 31, 2021.
6. At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

Annexure of Restated Financial Statements of the Company:-

- i. Statement of Equity Share Capital, as restated (Note- 3 of Annexure V)
  - ii. Statement of Reserves & Surplus, as restated (Note - 4 of Annexure V)
  - iii. Statement of Long Term Borrowings, as restated (Note- 5 of Annexure V)
  - iv. Statement of Deferred Tax Liability, as restated (Note- 11 of Annexure V)
  - v. Statement of Short Term Borrowings, as restated (Note-6 of Annexure V)
  - vi. Statement of Trade Payables, as restated (Note- 7 of Annexure V)
  - vii. Statement of Other Current Liabilities, as restated (Note- 8 of Annexure V)
  - viii. Statement of Short Term Provisions, as restated (Note- 9 of Annexure V)
  - ix. Statement of Property, Plant and Equipment, as restated (Note- 10 of Annexure V)
  - x. Statement of Non Current Assets, as restated (Note- 13 of Annexure V)
  - xi. Statement of Long term Loans & Advances, as restated (Note- 12 of Annexure V)
  - xii. Statement of Inventories, as restated (Note- 14 of Annexure V)
  - xiii. Statement of Trade Receivables, as restated (Note- 15 of Annexure V)
  - xiv. Statement of Cash and Bank Balances, as restated (Note - 16 of Annexure V)
  - xv. Statement of Short Terms Loans and Advances, as restated (Note- 17 of Annexure V)
  - xvi. Statement of Other Current Assets, as restated (Note - 18 of Annexure V)
  - xvii. Statement of Revenue from Operations, as restated (Note – 19 of Annexure V)
  - xxviii. Statement of Other Income, as restated (Note – 20 of Annexure V)
  - xix. Statement of Cost of Materials Consumed, as restated (Note – 21 of Annexure V)
  - xx. Statement of Change in Inventory, as restated (Note – 21 of Annexure V)
  - xxi. Statement of Employee Benefit Expenses, as restated (Note – 22 of Annexure V)
  - xxii. Statement of Finance Cost, as restated (Note – 23 of Annexure V)
  - xxiii. Statement of Other Expenses, as restated (Note – 25 of Annexure V)
  - xxiv. Statement of Other disclosures as restated (Note – 32 & 33 of Annexure V)
  - xxv. Statement of Related Party Transactions, as restated (Note – 26 of Annexure V)
  - xxvi. Statement of Earnings Per Share, as restated (Note- 27 of Annexure V)
  - xxvii. Statement of Commitment and Contingent Liabilities, as restated (Note - 28 of Annexure V)
  - xxviii. Statement of Income & Expenditure in Foreign Currency, as restated (Note- 31 of Annexure V)
  - xxix. Statement of Ratio Analysis, as restated (Note –29 of Annexure V)
  - xxx. Statement of Employee Benefits Expenses, as restated (Note - 30 of Annexure V)
  - xxxi. Statement of Other Statutory Information, as restated (Note - 34 of Annexure V)
  - xxxii. Statement of Adjustments to Audited Financial Statements appearing in (Note – 31 of Annexure VI)
  - xxxiii. Statement of Accounting Ratios, as restated (Annexure – VII)
  - xxxiv. Statement of Capitalization, as restated (Annexure – VIII )
7. In our opinion, the Restated Financial Statements and the other Financial Information set forth in Annexure I to VIII read with the significant accounting policies and notes to the Restated Financial Statements have been prepared in accordance with section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments,

the amount reported in the financial information may not necessarily be the same as those appearing in the respective audited financial statements for the relevant years.

8. This 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.
9. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
10. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For K M A & Co**  
**Chartered Accountants**  
FRN: 111899W

Sd/-

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**Keshav Chaubey**  
**Partner**  
**Membership No: 044900**

**Date:** June 15, 2023  
**Place:** Mumbai

**UDIN:** 23044900BGUGSO5139

## Annexure I - Restated Financial Statement of Assets and Liabilities

(Rs in Lakhs)

Particulars	Note to Annexure V	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Equity and Liabilities</b>				
<b>1. Shareholder's fund</b>				
a) Equity share capital	3	430.50	180.50	180.50
b) Reserves and surplus	4	(109.81)	(447.52)	(528.52)
<b>Total equity</b>		<b>320.69</b>	<b>(267.02)</b>	<b>(348.02)</b>
<b>2. Non-current liabilities</b>				
a) Long term borrowings	5	973.08	577.74	610.36
a) Deferred Tax Liability	11	0.83	-	-
<b>Total Non-current liabilities</b>		<b>973.91</b>	<b>577.74</b>	<b>610.36</b>
<b>3. Current liabilities</b>				
a) Short term borrowing	6	683.83	671.41	724.27
b) Trade payables	7			
- Total outstanding dues of micro enterprises & small enterprises		240.21	148.74	184.54
- Total outstanding dues of creditors other than micro enterprises and small enterprises		214.81	208.48	118.82
c) Other current liabilities	8	104.27	83.30	61.85
d) Short term provisions	9	-	-	-
<b>Total current liabilities</b>		<b>1,243.11</b>	<b>1,111.94</b>	<b>1,089.48</b>
<b>Total Equity and liabilities</b>		<b>2,537.71</b>	<b>1,422.66</b>	<b>1,351.82</b>
<b>Assets</b>				
<b>1. Non-Current assets</b>				
a) Property, plant and equipments	10	418.21	224.38	213.22
b) Deferred Tax Assets	11	-	1.16	0.69
c) Long Term Loans & Advances	12	144.49	144.49	144.49
d) Other non current assets	13	3.80	-	-
<b>Total Non-current assets</b>		<b>566.50</b>	<b>370.03</b>	<b>358.39</b>
<b>2. Current assets</b>				
a) Inventories	14	923.21	701.05	672.88
b) Trade receivables	15	618.65	278.90	246.91
c) Cash and bank balances	16	55.64	60.82	49.77
d) Short term loans & advances	17	334.42	10.00	21.78
d) Other current assets	18	39.30	1.86	2.09
<b>Total current assets</b>		<b>1,971.21</b>	<b>1,052.63</b>	<b>993.43</b>
<b>Total Assets</b>		<b>2,537.71</b>	<b>1,422.66</b>	<b>1,351.82</b>

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V & Adjustments to Audited Financial Statements appearing in Annexure VI.

As per our report of even date attached.

For and on behalf of  
**K M A & Co**  
Chartered Accountants  
FRN:111899W

For and on behalf of board of directors  
**SUNITA TOOLS LTD**  
CIN:U29220MH1988PLC045850

**Keshav Chaubey**  
Senior Partner  
Membership No: 044900

**Sanjay K. Pandey**  
Chairman & Director  
DIN: 00739482

**Satish K Pandey**  
Managing Director  
DIN: 00158327

Date : 15th June 2023  
Place : MUMBAI  
UDIN : 23044900BGUGSO5139

Date : 15th June 2023

Date : 15th June 2023

**Rupal Pankaj Dedhia**  
Company Secretary  
Membership No: 68289  
Date : 15th June 2023

## Annexure II - Restated Financial Statement of Profit and Loss

(Rs in Lakhs)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue:</b>				
Revenue from operations	19	1,384.44	873.47	666.36
Other income	20	32.89	15.41	25.14
<b>Total Revenue</b>		<b>1,417.33</b>	<b>888.88</b>	<b>691.50</b>
<b>Expenses:</b>				
Cost of material consumed	21	877.71	323.55	203.44
Change in Inventory	21	(442.83)	31.85	(15.66)
Employee benefit expenses	22	202.34	169.04	149.19
Finance costs	23	155.02	115.11	135.89
Depreciation & amortisation cost	24	51.11	41.42	37.10
Other expenses	25	237.27	127.38	154.21
<b>Total Expenses</b>		<b>1,080.61</b>	<b>808.35</b>	<b>664.18</b>
Exceptional items		-	-	-
<b>Net Profit before Tax</b>		<b>336.71</b>	<b>80.53</b>	<b>27.32</b>
<b>Less: Provision for Tax</b>				
(a) Current Tax		-	-	-
(b) Deferred Tax Asset/(Liability)		1.98	(0.47)	0.66
(b) Short/Excess Tax provision for earlier periods		(2.98)	-	-
<b>Total</b>		<b>(1.00)</b>	<b>(0.47)</b>	<b>0.66</b>
<b>Net Profit / (Loss) for the period after tax but before extra ordinary items</b>		<b>337.71</b>	<b>80.99</b>	<b>26.66</b>
Extraordinary Items		-	-	-
<b>Net Profit / ( Loss ) for the period after tax and after extra ordinary items available for appropriation</b>		<b>337.71</b>	<b>80.99</b>	<b>26.66</b>
<b>Earning Per Share:</b>				
- Basic		<b>13.96</b>	<b>3.35</b>	<b>1.10</b>
- Diluted		<b>13.96</b>	<b>3.35</b>	<b>1.10</b>

The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V & Adjustments to Audited Financial Statements appearing in Annexure VI.

As per our report of even date attached

For and on behalf of  
**K M A & Co**  
Chartered Accountants  
FRN:111899W

For and on behalf of board of directors  
**SUNITA TOOLS LTD**  
CIN:U29220MH1988PLC045850

**Keshav Chaubey**  
Senior Partner  
Membership No: 044900

Date : 15th June 2023  
Place : MUMBAI  
UDIN : 23044900BGUGSO5139

**Sanjay K. Pandey**  
Chairman & Director  
DIN: 00739482

Date : 15th June 2023

**Satish K Pandey**  
Managing Director  
DIN: 00158327

Date : 15th June 2023

**Rupal Pankaj Dedhia**  
Company Secretary  
Membership No: 68289  
Date : 15th June 2023

## Annexure III - Restated Financial Statement of Cash Flows

(Rs in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities</b>			
Net profit before tax	336.71	80.53	27.32
Adjustments for :			
Depreciation	51.11	41.42	37.10
Provision for gratuity	35.28	29.84	19.89
Interest income	(11.24)	(2.22)	(2.43)
Finance cost	155.02	115.11	135.89
<b>Operating profit before working capital adjustment</b>	<b>566.88</b>	<b>264.68</b>	<b>217.78</b>
<b>Adjustment for changes in working capital</b>			
Trade and other payable	97.80	53.86	122.33
Other current liabilities	(14.31)	(8.39)	(6.35)
Other Short term Loans & Advances	(324.42)	11.78	5.72
Other Long term Loans & Advances	0.00	(0.00)	245.24
Other Non Current assets	(3.80)		
Trade and other receivables	(339.75)	(31.99)	(83.20)
Changes in inventories	(222.15)	(28.18)	(181.03)
Short-term provisions	-	-	-
Other current assets	(37.44)	0.23	1.42
<b>Cash flow generated from operations</b>	<b>(277.19)</b>	<b>262.00</b>	<b>321.91</b>
Direct taxes paid	2.98	-	-
<b>Net cash flow from operating activities (A)</b>	<b>(274.21)</b>	<b>262.00</b>	<b>321.91</b>
<b>Cash flow from investing activities</b>			
Sale of fixed assets	6.00	2.00	0.14
Interest received	11.24	2.22	2.43
Purchase of building and plant and machinery	(250.94)	(54.59)	(34.11)
<b>Net Cash flow from Investing activities (B)</b>	<b>(233.70)</b>	<b>(50.37)</b>	<b>(31.54)</b>
<b>Cash flow from financing activities</b>			
Proceed /Repayments from short term borrowings	262.41	(52.86)	17.41
Proceed/Repayments from long term borrowings	395.34	(32.62)	(176.14)
Finance cost	(155.02)	(115.11)	(135.89)
<b>Net cash flow From financing activities (C)</b>	<b>502.73</b>	<b>(200.58)</b>	<b>(294.62)</b>
Increase/(Decrease) in cash and cash equivalents (A+B+C)	(5.18)	11.05	(4.25)
Cash and cash equivalent at the beginning of the year	60.82	49.77	54.02
<b>Cash &amp; cash equivalent at the end of the year</b>	<b>55.64</b>	<b>60.81</b>	<b>49.77</b>

1 The Restated Statement of Cash Flows has been prepared under the indirect method as set out in AS 3, Statement of Cash Flows.

2. Figures in brackets represent outflow of cash and cash equivalents.

3. The above statement should be read with Basis of Preparation and the Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Financial Information appearing in Annexure V & Adjustments to Audited Financial Statements appearing in Annexure VI.

As per our report of even date attached

For and on behalf of  
**K M A & Co**  
Chartered Accountants  
FRN:111899W

For and on behalf of board of directors  
**SUNITA TOOLS LTD**  
CIN:U29220MH1988PLC045850

**Keshav Chaubey**  
Senior Partner  
Membership No: 044900

**Sanjay K. Pandey**  
Chairman & Director  
DIN: 00739482

**Satish K Pandey**  
Managing Director  
DIN: 00158327

Date : 15th June 2023  
Place : MUMBAI  
UDIN : 23044900BGUGSO5139

Date : 15th June 2023

Date : 15th June 2023

Company Secretary  
Membership No: 68289  
Date : 15th June 2023

**Annexure IV- Basis of preparation and Significant Accounting Policies**

**Significant accounting policies**

**1 Company Overview**

M/s Sunita Tools Ltd. Company incorporated on 12th January 1988, having its registered office at 46, Laxminarayan, Yashodham, Film City Road, Nr. Royal Challenge Hotel, Goregaon - East, Mumbai Mumbai City MH 400063. Directors of the company are Mr. Satish Pandey, Mr. Sanjay Pandey & Mrs. Ragini Pandey. The nature of the operations and principal activities of the company is engaged in the business of manufacturing, machining & grinding of engineering of goods, steel plates & manufacture of mould base & dies sets.

**2 Basis of preparation and presentation of Restated Financial Statements**

These financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in India under the historical cost convention on the accrual basis of accounting. These financial statements have been prepared to comply in all material aspects with the accounting standards specified under section 133 of the Companies Act, 2013 read with

Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013 (hereinafter together referred to as 'the Act') and Schedule III of the Act.

The restated financial information has been prepared for inclusion in the Draft prospectus ("DP" or "offer document") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering of its equity shares of face value of Rs 10 each of the Company comprising a fresh issue of equity shares and offer for sale of equity shares held by the certain existing shareholders (the "Offer"), in accordance with the requirements of:

a) Section 26 of part I of Chapter III of the Act

b) relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations, 2018, issued by the Securities and Exchange Board of India ("SEBI") as amended in pursuance of the Securities and Exchange Board of India Act, 1992; and

c) Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI").

The Restated financial information have been compiled from:

a) the audited financial statement of the Company as at March 31, 2023 which have been approved by the Board of Directors at their meeting held on June 15, 2023.

b) the audited financial statement of the Company as at March 31, 2022 which have been approved by the Board of Directors at their meeting held on July 26, 2022.

c) the audited financial statement of the Company as at March 31, 2021 which have been approved by the Board of Directors at their meeting held on September 23, 2021.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

**2.1 Significant accounting policies**

**a) Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's most significant estimates include those on the useful life of assets, deferred taxes and provision for taxes. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates

**b) Current-non-current classification**

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle

b. it is held primarily for the purposes of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the company's normal operating cycle

b. it is held primarily for the purposes of being traded

c. it is due to be settled within 12 months after the reporting date; or

d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date

Current liabilities include the current portion of non-current financial liabilities:

All other liabilities are classified as non-current

**c) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes all incidental costs related to acquisition and installation, other pre-operative costs and interest on borrowed funds, if any, used to finance the acquisitions of fixed assets and is capitalized up to the date the assets are ready for commercial use.

Depreciation is provided over the estimated useful life of the assets using written down value method. The rates of depreciation used are those which have been calculated as per the method specified in Schedule II of the Companies Act, 2013. The new Companies Act prescribes that the asset should be written off over its useful life as estimated by the management and provides the indicative useful lives for the different class of assets. Other assets are depreciated over their balance useful life

**d) Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exist

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognized for such excess amount. The impairment loss is recognized as an expense in the statement of profit and loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset

When there is indication that an impairment loss recognized for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognized.

**e) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments  
On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**f) Inventories**

Inventory consists of Raw material, store and spares and Finished goods is valued at cost. Cost of inventories comprises of all cost of purchases and other costs incurred in bringing the inventory to their present location and condition. Cost is assigned on First-In-First-Out (FIFO) basis. Obsolete, defective and unserviceable stocks are provided for, wherever required.

**g) Cash and cash equivalents**

Cash equivalents represent highly liquid investments with remaining maturities, at the date of purchase/investment, of three months or less. As of the balance sheet date, the Company had such investment. Cash and cash equivalents comprise of cash in hand and balance in bank account:

**h) Revenue recognition**

Sales revenue is recognized when property in the goods with all risk rewards and effective control of goods usually associated with ownership are transferred to buyer at price. Sales comprise trading sales and are exclusive of excise duty and local taxes and sales return. The various discounts and rate differences on the sales those accepted/rejected are accounted in the year, however if the same is of material amount effecting the current year profit/loss are separately shown under the prior period head of the profit and loss account.

**i) Other operational revenue**

Other operational revenue represent income earned from the activities incidental to the business and is recognized when the right to receive the income is established as per the terms of the contract.

**j) Interest**

Interest income is recognized on a time proportion basis by considering the amount outstanding and rate applicable.

**h) Retirement and employee benefits**

Contributions to secure retirement benefits in respect of provident fund, based on applicable rules/status, are charges to revenue.

**k) Borrowing cost**

As per AS 16, borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale

**l) Income taxes**

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period) and minimum alternate tax:

**Current tax**

Provision for income tax is recognized based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

**Deferred tax**

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized

**Minimum Alternate Tax (MAT)**

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realized

**m) Earnings per share**

The Company reports basic earnings per share (EPS) in accordance with Accounting Standard - 20. The basic earnings per share is computed by dividing the net profit/loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company has no potentially dilutive equity shares outstanding during the period.

**n) Segment Reporting**

The Company operates in a single primary business segment. Hence, there are no reportable segment as per AS 17 Segment Reporting.

**o) Provisions and contingent liabilities**

The Company recognizes a provision when there is a present obligation arising from a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**p) Leases****Operating Lease:**

Where the lessor effectively retains substantially all the risks & benefits of ownership of leased item, these are classified as operating lease. Operating lease payments are recognised as expenses in the statement of profits & loss accounts on straight line basis over lease term. Initial cost such as legal cost, brokerage costs, etc are recognised immediately in the statement of profit & loss account.

**q) Foreign Currency transaction**

Foreign currency transactions are accounted for at the exchange rate prevailing on transaction date. Foreign currency monetary assets & liabilities are translated at year end exchange rate. The exchange differences arising on foreign currency transactions are recognised as income or expense in the period in which they arise

**r) Previous year figures**

Previous figures have been regrouped /reclassified/ restated whenever necessary

## Annexure V - Restated Financial Information

## 3 Equity share capital

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2021
<b>Authorised share capital*</b>			
2,00,000 equity shares of Rs. 100 each	200.00	200.00	200.00
(-) Subdivision of 2,00,000 shares to 20,00,000 share i.e from FV of Rs 100 to Rs 10 each	(200.00)	-	-
<b>Subdivision &amp; increased in Authorised Capital</b>			
Subdivision of 2,00,000 shares to 20,00,000 share i.e from FV of Rs 100 to Rs 10 each	200.00	-	-
Increased authorised capital of 40,00,000 equity shares of Rs. 10 each	400.00	-	-
	<b>600.00</b>	<b>200.00</b>	<b>200.00</b>
<b>Issued subscribed &amp; paid up share capital*</b>			
1,80,500 equity share of Rs. 100 each, Fully Paid Up	-	180.50	180.50
18,05,000 equity share of Rs. 10 each, Fully Paid Up (Split up of shares from FV of Rs 100 to FV of Rs 10 each)	180.50	-	-
25,00,000 equity share of Rs. 10 each, Fully Paid Up (Refer Note (i))	250.00	-	-
<b>Total</b>	<b>430.50</b>	<b>180.50</b>	<b>180.50</b>

## (b) The reconciliation of the numbers of shares outstanding and amount of share capital as at year end is set out below:

: in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021	
	Nos	Rs. Lakhs	Nos	Rs.	Nos	Rs.
<b>Equity Shares</b>						
Shares outstanding at the beginning of the year	1,80,500	180.50	1,80,500	180.50	1,80,500	180.50
Shares Split up	(1,80,500)	(180.50)				
<b>Shares Issued/Split up during the year</b>						
18,05,000 equity share of Rs. 10 each, Fully Paid Up (Split up of shares from FV of Rs 100 to FV of Rs 10 each)	18,05,000	180.50	-	-	-	-
25,00,000 equity share of Rs. 10 each, Fully Paid Up (Refer Note (i))	25,00,000	250.00	-	-	-	-
<b>Shares Outstanding at the end of the period</b>	<b>43,05,000</b>	<b>430.50</b>	<b>1,80,500</b>	<b>180.50</b>	<b>1,80,500</b>	<b>180.50</b>

## (c) Name of Equity Shareholders holding more than 5% equity shares

Name of shareholders	No. of Shares held	% of Holding	% Change
<b>Sangeeta Kumar Pandey</b>			
March 31, 2023	6,52,460.00	15.16%	-20.99%
March 31, 2022	65,246.00	36.15%	0.00%
March 31, 2021	65,246.00	36.15%	0.00%
<b>Satish Kumar Pandey</b>			
March 31, 2023	15,02,230.00	34.90%	17.46%
March 31, 2022	31,473.00	17.44%	0.00%
March 31, 2021	31,473.00	17.44%	0.00%
<b>Sanjay Pandey</b>			
March 31, 2023	16,53,200.00	38.40%	23.68%
March 31, 2022	26,570.00	14.72%	0.00%
March 31, 2021	26,570.00	14.72%	0.00%
<b>Ragini Satish Pandey</b>			
March 31, 2023	3,45,090.00	8.02%	-5.56%
March 31, 2022	24,509.00	13.58%	0.00%
March 31, 2021	24,509.00	13.58%	0.00%

## (d) Shares held by promoters at the end of the year March 31, 2023

Name of Promoter	No. of Shares held	% of Holding	% Change
<b>Sangeeta Kumar Pandey</b>			
March 31, 2023	6,52,460.00	15.16%	-20.99%
March 31, 2022	65,246.00	36.15%	0.00%
March 31, 2021	65,246.00	36.15%	0.00%
<b>Satish Kumar Pandey</b>			
March 31, 2023	15,02,230.00	34.90%	17.46%
March 31, 2022	31,473.00	17.44%	0.00%
March 31, 2021	31,473.00	17.44%	0.00%
<b>Sanjay Pandey</b>			
March 31, 2023	16,53,200.00	38.40%	23.68%
March 31, 2022	26,570.00	14.72%	0.00%
March 31, 2021	26,570.00	14.72%	0.00%
<b>Ragini Satish Pandey</b>			
March 31, 2023	3,45,090.00	8.02%	-5.56%
March 31, 2022	24,509.00	13.58%	0.00%
March 31, 2021	24,509.00	13.58%	0.00%

**Annexure V - Restated Financial Information**

- (e) In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held at the time of commencement of winding-up.
- (f) The Shareholders have all other rights as available to equity shareholders as per the provisions of The Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

**Rights, preferences and restrictions attached to equity shares**

- (g) The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. Equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company.
- (h) No dividend is declared by the Company during the year ended on March 31, 2023, March 31, 2022, March 31, 2021 and March 31, 2020.
- (i) The company has increased its subscribed capital by converting directors loan into equity share capital of Company by complying with provision of Section 62 of Companies Act, 2013
- (j) During the year company has sub divided its share from FV of Rs 100 to Rs 10 , also it has increased its authorised Share Capital to 6 crore of Rs 10 each (60,00,000 shares of Rs 10 each)

**4 Reserves and Surplus***(Rs in Lakhs)*

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2021
<b>Retained Earnings</b>			
Opening balance	(447.52)	(528.52)	(555.18)
Profit during the year	337.71	80.99	26.66
Less: Bonus Shares issued during the year	-	-	-
<b>Closing balance</b>	<b>(109.81)</b>	<b>(447.52)</b>	<b>(528.52)</b>
<b>Total</b>	<b>(109.81)</b>	<b>(447.52)</b>	<b>(528.52)</b>

**5 Non current borrowings***(Rs in Lakhs)*

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2021
<i>(Secured Loans)</i>			
Deutsche bank loan against property	-	22.07	99.3
Axis bank loan-921060052041930	518.52	555.67	20.13
Yes Bank Car Loan 205130	12.63	-	-
Yes Bank Loan Mor000101323380	441.93	-	-
Hero Fincrop Limited-4371163	-	-	490.93
Total (A)	<b>973.08</b>	<b>577.74</b>	<b>610.36</b>
<b>Total</b>	<b>973.08</b>	<b>577.74</b>	<b>610.36</b>

**Secured loan details are given below:**

- (a) (1) Details of security for term Loan & Overdraft facility from Axis Bank
- i. Primary Security : NA
- ii. Secondary security : Plot No A survey no 66,hissa no part waliv gram panchayat, panchayat samiti vasai zila parishad thane vasai III, Thane Maharashtra 401201. Owner Name : S B Industries, Property Type : Commercial Office.
- iii. Gaurantee : Personal Guarantors are Mr Kumar Bihari Pandey,Mr Satish Bihari Pandey,Mrs Sangeeta Kumarbihari Pandey,Mr Sanjay Kumar Pandey, M/S S B Industries.

Repayment of Cash credit/Workign Capital/ Overdraft: On Demand (Monthly Basis (from 01/03/2021)

Repayment for Term Loan:

No of Installment(Months)	Start Date	Amount of Installment	Frequency
0	03-01-21	-	Monthly
1	03-01-21	571000	Monthly
179	04-01-21	571000	Monthly

- (2) Details of security for Term Loan from Yes Bank

i. Security: Mortgage of property, Plot No 40, survey no 66, village wadiv, golani naka, piakapada city-vasai, district - Palghar,Maharashtra, Link road - 401202.

ii Loan Tenure is 180 months

- (3) Details of security for Car Loan from Yes Bank

i. Security: The loan has been secured against Car.

ii Loan Tenure is 72 months

## Annexure V - Restated Financial Information

## 6 Short term borrowings

(Rs in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(Secured)			
Axis Bank A/C No - 921030007391166	-	0.49	-
Bank of Maharashtra CC A/C	488.04	4.22	-
Deutsche bank AG (DL)	-	1.47	-
(Unsecured Loans)			
Loan from Directors	69.54	544.49	-
Loan from Related Party	126.25	120.73	724.27
<b>Total</b>	<b>683.83</b>	<b>671.41</b>	<b>724.27</b>

## Terms of Loan based on sanctioned letter

## (1) Details of security for term Loan &amp; Overdraft facility from Axis Bank

i. Primary Security : NA

ii. Secondary security : Plot No A survey no 66,hissa no part waliv gram panchayat, panchayat samiti vasai zila parishad thane vasai III, Thane Maharashtra 401201. Owner Name : S B Industries, Property Type : Commercial Office.

iii. Gaurantee : Personal Guarantors are Mr Kumar Bihari Pandey,Mr Satish Bihari Pandey,Mrs Sangeeta Kumarbihari Pandey,Mr Sanjay Kumar Pandey, M/S S B Industries.

Repayment of Cash credit/Workign Capital/ Overdraft: On Demand (Monthly Basis (from 01/03/2021)

## Repayment for Term Loan:

No of Installment	Start Date	Amount of Installment	Frequency
0	01-03-2021	-	Monthly
1	01-03-2021	571000	Monthly
179	01-04-2021	571000	Monthly

## (2) Details of Security for CC/ Overdraft from Bank of Maharashtra:

The cash credit facility availed from Bank of Maharashtra , Malad west branch (Mumbai) has been secured by hypothecation of Fixed deposit

i. Primary Security : Hypothecation of stocks &amp; receivable, debtors upto 120 days shall be reckoned for DP purpose. Obsolete stock, and debtors from associated and related concerns would not be considered for calculation of DP.

ii. Secondary security : Plot No 38,survey no 66/1 of village waliv hissa no part waliv Taluka vasai, district Palghar.

iii. Gaurantee : Personal Guarantors are Mr Satish Kumar Pandey,Mr Sanjay Kumar Pandey, Mrs Ragini Satish Pandey.

Rate of Interest : Subject to change upward and downward as the case may be , in line with movement of Repo Linked Lending Rate(RLLR). At present RLLR is 8.20%.

Repayment : On demand

Note : All overdraft facilities limit will be reviewed on every 12 Months.

## Unsecured Loans:

The below unsecured loan has been availed from shareholders of company:

(Rs in Lakhs)

Name of lender	Type of loan	Interest Rate	Outstanding Loan as on 31.03.23
Loan from Directors	Unsecured Loan	Interest Free	69.54
Loan from Related Party	Unsecured Loan	Interest Free	126.25
<b>Total</b>			<b>195.79</b>

Such loans are repayable on demand

## 7 Trade payables

(Rs in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
- Total outstanding dues of micro enterprises and small enterprises (Refer note below)	240.21	148.74	184.54
- Total outstanding dues other than micro enterprises and small enterprises	214.81	208.48	118.82
<b>Total</b>	<b>455.02</b>	<b>357.22</b>	<b>303.36</b>

The Company has the process of identification of 'suppliers' registered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, by obtaining confirmations from all suppliers. There are no dues to micro enterprises and small enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 which are outstanding for a period more than 45 days as on balance sheet date.

## Ageing of Trade Payables

March 31, 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Micro enterprises and small enterprises	235.89	-	-	4.32	240.21
(II)Total outstanding dues of creditors other than micro enterprises and small enterprises	208.13	3.21	1.69	1.77	214.81
(III)Disputed Dues MSME	-	-	-	-	-
(IV)Disputed Dues-Others	-	-	-	-	-
<b>Total</b>	<b>444.02</b>	<b>3.21</b>	<b>1.69</b>	<b>6.09</b>	<b>455.02</b>

## Annexure V - Restated Financial Information

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	(I) Micro enterprises and small enterprises	148.61	0.13	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	169.41	29.70	7.82	1.56	208.48
(III) Disputed Dues MSME	-	-	-	-	-
(IV) Disputed Dues-Others	-	-	-	-	-
<b>Total</b>	<b>169.41</b>	<b>29.70</b>	<b>7.82</b>	<b>1.56</b>	<b>357.22</b>

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	(I) Micro enterprises and small enterprises	184.54	-	-	-
(II) Total outstanding dues of creditors other than micro enterprises and small enterprises	109.60	7.99	0.09	1.13	118.82
(III) Disputed Dues MSME	-	-	-	-	-
(IV) Disputed Dues-Others	-	-	-	-	-
<b>Total</b>	<b>294.14</b>	<b>7.99</b>	<b>0.09</b>	<b>1.13</b>	<b>303.36</b>

## 8 Other current liabilities

(Rs in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Other payables :</b>			
Advance from customers	4.24	7.98	1.25
Rent Deposit	10.50	16.60	9.60
Statutory Dues (Include GST & TDS payable)	25.21	11.27	6.08
Salary Payable	10.81	9.65	8.79
Gratuity payable	35.28	29.84	19.89
Outstanding Liabilities	15.18	7.96	16.25
Current Maturities of Long Term Loan	-	-	-
-Yes Bank Car Loan 205130	3.05	-	-
<b>Total</b>	<b>104.27</b>	<b>83.30</b>	<b>61.85</b>

## 9 Short term provisions

(Rs in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for income tax	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 11 Deferred tax (Liabilities) /Asset

(Rs in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance at the beginning	1.16	0.69	1.34
Add/(Less) : On account of Depreciation	(10.86)	0.47	(0.66)
Add/(Less) : On account of Provisions	8.88	-	-
<b>Closing Balance</b>	<b>(0.83)</b>	<b>1.16</b>	<b>0.69</b>

Deferred tax asset is recognised to the extent it is probable that taxable profit will be

## 12 Long Term Loans &amp; Advances

(Rs in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Deposits	144.49	144.49	144.49
<b>Total</b>	<b>144.49</b>	<b>144.49</b>	<b>144.49</b>

## 13 Other non current assets

(Rs in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Preliminary Expenses	3.80	-	-
<b>Total</b>	<b>3.80</b>	<b>-</b>	<b>-</b>

## 14 Inventories

(Rs in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Raw material	229.24	449.92	389.89
WIP & Finished Goods	693.96	251.14	282.99
<b>Total</b>	<b>923.21</b>	<b>701.05</b>	<b>672.88</b>

## 15 Trade receivables

(Rs in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Unsecured, Considered good			
More than six months	13.63	13.04	15.79
Less than six months	605.02	265.86	231.12
<b>Total</b>	<b>618.65</b>	<b>278.90</b>	<b>246.91</b>

## Annexure V - Restated Financial Information

## Ageing for Trade receivables

March 31, 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6months	6months to 1year	1-2 years	2-3 yrs	More than 3 yrs	Total
(i) Undisputed Trade receivables – considered good	605.02	4.21	7.93	0.33	1.16	618.65
<b>Total</b>	<b>605.02</b>	<b>4.21</b>	<b>7.93</b>	<b>0.33</b>	<b>1.16</b>	<b>618.65</b>

March 31, 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6months	6months to 1year	1-2 years	2-3 yrs	More than 3 yrs	Total
(i) Undisputed Trade receivables – considered good	265.86	11.49	0.33	0.59	0.63	278.90
<b>Total</b>	<b>265.86</b>	<b>11.49</b>	<b>0.33</b>	<b>0.59</b>	<b>0.63</b>	<b>278.90</b>

March 31, 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6months	6months to 1year	1-2 years	2-3 yrs	More than 3 yrs	Total
(i) Undisputed Trade receivables – considered good	231.12	0.13	11.37	0.12	4.17	246.91
<b>Total</b>	<b>231.12</b>	<b>0.13</b>	<b>11.37</b>	<b>0.12</b>	<b>4.17</b>	<b>246.91</b>

## 16 Cash and bank balances

(Rs in Lakhs)

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2021
Cash Balance	8.71	21.63	7.57
Balances with banks :	2.93	0.12	5.12
<b>Other Balances with Banks</b>			
Fixed Deposit (Maturity is between Three to Twelve Months)	44.00	39.07	37.08
<b>Total</b>	<b>55.64</b>	<b>60.82</b>	<b>49.77</b>

## 17 Short term loans &amp; advances

(Rs in Lakhs)

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2021
(Unsecured, Considered Good)			
<b>Loans and Advances</b>			
Loan to employee	33.47	4.82	7.34
Advances to related party	-	3.40	3.40
Other Advances (Includes Advances given to creditors)	300.95	1.78	11.04
<b>Total</b>	<b>334.42</b>	<b>10.00</b>	<b>21.78</b>

## 18 Other Current Assets

(Rs in Lakhs)

Particulars	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2021
Balances with Govt Authorities	3.30	1.86	2.09
Plan Asset for gratuity	36.00	0.00	0.00
<b>Total</b>	<b>39.30</b>	<b>1.86</b>	<b>2.09</b>

## 19 Revenue from operations

(Rs in Lakhs)

Particulars	Year ended	Year ended	Year ended
	March 31, 2023	March 31, 2022	March 31, 2021
<b>(I) Operating Revenue</b>			
<b>Sale of Products</b>			
-Domestic Sales	1,346.72	857.83	649.63
- Export Sales	24.32	-	-
	<b>1,371.04</b>	<b>857.83</b>	<b>649.63</b>
<b>Sale of services</b>			
-Labour Charges	7.87	13.84	13.29
	<b>7.87</b>	<b>13.84</b>	<b>13.29</b>
<b>(II) Other Operating Revenue</b>			
-Receipts of transport charges	5.42	1.42	3.10
-Receipts of Packing charges	0.12	0.38	0.33
-Round off Sales	0.00	-	-
	<b>5.53</b>	<b>1.80</b>	<b>3.44</b>
<b>Total (Net) (I + II)</b>	<b>1,384.44</b>	<b>873.47</b>	<b>666.36</b>

## 20 Other income

(Rs in Lakhs)

Particulars	Year ended	Year ended	Year ended
	March 31, 2023	March 31, 2022	March 31, 2021
Rent Received	21.66	13.13	22.71
Interest Received on Income Tax Refund	0.30	-	1.08
Interest Received	-	-	-
Interest Received from customer	1.50	-	-
Interest Received on Fixed Deposit	9.44	2.22	1.34
Discount Received	-	0.06	-
Delivery Charges	-	-	-
<b>Total</b>	<b>32.89</b>	<b>15.41</b>	<b>25.14</b>

## 21 Cost of raw material consumed

(Rs in Lakhs)

Particulars	Year ended	Year ended	Year ended
	March 31, 2023	March 31, 2022	March 31, 2021
<b>Raw materials</b>			
Opening Stock of raw materials	449.92	389.89	224.52
Add: Purchase of materials	657.03	383.58	368.81
Less: Closing stock of raw materials	229.24	449.92	389.89
<b>Total</b>	<b>877.71</b>	<b>323.55</b>	<b>203.44</b>

## Annexure V - Restated Financial Information

## 21 Changes in Stock in Trade

(Rs in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock of WIP & Finished goods	251.14	282.99	267.33
Less - Closing stock of WIP & Finished goods	693.96	251.14	282.99
	<b>(442.83)</b>	<b>31.85</b>	<b>(15.66)</b>

## 22 Employee benefit expenses

(Rs in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Wages & Salaries	129.32	104.58	91.44
Directors Remuneration	26.40	26.40	26.40
Annual leave encashment	9.51	8.04	6.81
Skilled Worker training stipend	8.84	2.62	2.58
Payment of Bonus	8.04	7.43	6.72
Gratuity provisions & other benefits paid	14.46	17.06	10.17
Staff Welfare Expenses	5.12	2.62	4.80
E.P.F (Provident fund)	0.44	0.17	0.19
Contribution ESIC	0.20	0.12	0.09
<b>Total</b>	<b>202.34</b>	<b>169.04</b>	<b>149.19</b>

## 23 Finance cost

(Rs in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
<b>Payment of Interest</b>			
Interest on cash credit	20.59	1.30	1.15
Interest on term loan	117.38	103.62	126.54
Interest on auto loan	0.90	-	-
<b>Other Financial Expenses</b>			
Processing Fees	14.63	10.19	8.19
Stamp Duty Charges	1.52	-	-
<b>Total</b>	<b>155.02</b>	<b>115.11</b>	<b>135.89</b>

## 24 Depreciation expenses

(Rs in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property plant and equipment (Refer note 10)	51.11	41.42	37.10
<b>Total</b>	<b>51.11</b>	<b>41.42</b>	<b>37.10</b>

## 25 Other expenses

(Rs in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Advertisement Expenses	-	0.16	-
Audit Fees	1.53	0.40	0.40
Bus Hire charges	-	-	0.88
Business Promotion Expenses	1.13	0.30	0.04
Brokerage	3.98	1.75	-
Bank Charges	0.09	0.05	0.10
Motor Car Running Expenses	0.77	0.98	1.33
Computer Expenses	1.00	0.61	0.63
Conveyance Charges	0.11	0.19	0.04
Custom Duty Charges	0.01	-	-
Courier Charges	0.13	0.07	0.14
Difference of exchange Rate	0.21	-	-
Fcatory License Renewal	1.15	-	-
Garden maintenance Expenses	-	0.15	1.10
General Expenses	0.91	0.70	0.43
Insurance	0.72	3.81	20.28
Machining Charges/ Labour Charges	18.09	8.75	15.20
Material testing Charges	-	0.06	-
Mould Base Accessories	60.97	24.06	29.41
Newspaper & Magazine book & perodicals	-	-	0.01
Postage & Telegram	-	-	-
Packing & Forwarding charges	4.02	1.13	0.69
Power & Fuel	72.68	42.98	46.31
Printing & Stationery	0.52	0.35	0.45
Professional Charges	15.48	7.32	5.07
Rates & Taxes	5.16	3.03	-
Rent Paid	6.00	6.00	8.00
Repairs & Maintenance	1.62	2.71	7.38
Repairs & Maintenance (Office)	-	-	0.64
Loading & Unloading	2.12	0.63	2.05
Security Service Charges	3.16	3.48	1.37
Store Consumables	12.30	4.94	1.78
Telephone Expenses	0.49	0.42	0.58
Transport Charges	19.08	10.34	9.54
Travelling Expense ( Domestic)	3.86	0.11	0.38
Travelling Expense ( Foreign)	-	1.90	-
Round off (P)	0.00	-	-
<b>Total</b>	<b>237.27</b>	<b>127.38</b>	<b>154.21</b>

## Payment to auditors

(Rs in Lakhs)

- Audit fees	1.53	0.40	0.40
<b>Total</b>	<b>1.53</b>	<b>0.40</b>	<b>0.40</b>

## SUNITA TOOLS LTD

## Annexure V - Restated Financial Information

## 10 Property, plant and equipment (WDV Model)

(Rs in Lakhs)

Particulars	Tangible Assets							
	Land	Factory Building	Plant and machinery	Office equipments	Furniture and fixtures	Computer	Vehicles	Total Tangible Assets
<b>WDV amount</b>								
As at April 01, 2020	8.06	30.86	141.83	17.48	7.70	1.85	8.58	216.35
Additions	-	7.11	10.70	12.73	-	1.08	2.50	34.12
Disposals	-	-	-	(0.14)	-	-	-	(0.14)
<b>As at March 31, 2021</b>	<b>8.06</b>	<b>37.97</b>	<b>152.53</b>	<b>30.06</b>	<b>7.70</b>	<b>2.92</b>	<b>11.08</b>	<b>250.32</b>
<b>Depreciation During the year</b>								
Charge for the year	-	3.61	22.51	7.74	0.77	1.01	1.47	37.10
On disposals	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>-</b>	<b>3.61</b>	<b>22.51</b>	<b>7.74</b>	<b>0.77</b>	<b>1.01</b>	<b>1.47</b>	<b>37.10</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>8.06</b>	<b>34.36</b>	<b>130.03</b>	<b>22.33</b>	<b>6.93</b>	<b>1.92</b>	<b>9.60</b>	<b>213.22</b>
<b>WDV amount</b>								
As at April 01, 2021	8.06	34.36	130.03	22.33	6.93	1.92	9.60	213.22
Additions	-	4.20	10.91	38.02	-	1.41	0.05	54.59
Disposals	-	-	(2.00)	-	-	-	-	(2.00)
<b>As at March 31, 2022</b>	<b>8.06</b>	<b>38.56</b>	<b>138.94</b>	<b>60.35</b>	<b>6.93</b>	<b>3.33</b>	<b>9.65</b>	<b>265.81</b>
<b>Depreciation During the year</b>								
Charge for the year	-	3.66	20.49	14.06	0.69	1.07	1.45	41.42
On disposals	-	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>3.66</b>	<b>20.49</b>	<b>14.06</b>	<b>0.69</b>	<b>1.07</b>	<b>1.45</b>	<b>41.42</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>8.06</b>	<b>34.90</b>	<b>118.45</b>	<b>46.29</b>	<b>6.24</b>	<b>2.26</b>	<b>8.20</b>	<b>224.38</b>
<b>WDV amount</b>								
As at April 01, 2022	8.06	34.90	118.45	46.29	6.24	2.26	8.20	224.38
Additions	-	0.19	205.94	22.50	-	4.24	18.06	250.94
Disposals	-	-	(6.00)	-	-	-	-	(6.00)
<b>As at March 31, 2023</b>	<b>8.06</b>	<b>35.09</b>	<b>318.39</b>	<b>68.79</b>	<b>6.24</b>	<b>6.50</b>	<b>26.26</b>	<b>469.32</b>
<b>Depreciation During the year</b>								
Charge for the year	-	3.33	35.73	6.72	0.62	2.09	2.61	51.11
On disposals	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>-</b>	<b>3.33</b>	<b>35.73</b>	<b>6.72</b>	<b>0.62</b>	<b>2.09</b>	<b>2.61</b>	<b>51.11</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>8.06</b>	<b>31.76</b>	<b>282.66</b>	<b>62.07</b>	<b>5.61</b>	<b>4.40</b>	<b>23.65</b>	<b>418.21</b>

## Annexure V - Restated Financial Information

## 26 Related party disclosure

## (a) Related Parties

Name of the party	Nature of relationship
Mr Satish Kumar Bihari Pandey	Director
Mrs. Ragini Satish Pandey	Director
Mr Sanjay Kumar Pandey	Director
Uma S Pandey	Director
Rupal Pankaj Dedhia	Company secretary
Mrs Sangeeta Kumar Bihari Pandey	Relative of Director
Kumar. Bihari. Pandey	Relative of Director
Mrs Sunita Virendra Tiwari	Relative of Director
Abheshek S Pandey	Relative of Director
Shweta S Pandey	Relative of Director
Mrs Neeta Pandey	Relative of Director
Ms Shruti Pandey	Relative of Director
Mr Sarvagya Pandey	Relative of Director
Mrs Shyama Tiwari	Relative of Director
Sunita die parts Pvt. Ltd	Enterprises in which relatives of director has significant influence
Sunita Engineering works	Sole proprietorship in which relatives of director has significant influence
SUN-I.T.A. Microsystem	Partnership firm in which director has significant influence
M/S S B Industries	Enterprises in which director has significant influence

## (b) Particulars of transactions with related parties

(Rs in Lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
<b>1 Loans :</b>			
<b>Mrs Sangeeta Kumar Bihari Pandey</b>			
Opening Balance	110.16	110.64	111.03
Loan Taken	-	-	-
Loan Repaid	-	0.48	0.39
Closing Balance	110.16	110.16	110.64
<b>Mrs Sunita Virendra Tiwari</b>			
Opening Balance	10.58	10.58	10.58
Loan Taken	-	-	-
Loan Repaid	-	-	-
Closing Balance	10.58	10.58	10.58
<b>Mrs. Ragini Satish Pandey</b>			
Opening Balance	78.93	82.96	81.48
Loan Taken	6.00	6.00	6.00
Loan Repaid	21.27	10.03	4.53
Converted into equity share capital	10.00	-	-
Closing Balance	53.66	78.93	82.96
<b>Mr Sanjay Kumar Pandey</b>			
Opening Balance	46.99	81.36	73.79
Loan Taken	172.87	10.20	18.20
Loan Repaid	89.86	44.57	10.63
Converted into equity share capital	130.00	-	-
Closing Balance	(0.00)	46.99	81.36
<b>Mr Satish Kumar Bihari Pandey</b>			
Opening Balance	418.58	438.73	402.29
Loan Taken	191.61	10.20	42.30
Loan Repaid	484.31	30.36	5.85
Converted into equity share capital	110.00	-	-
Closing Balance	15.88	418.58	438.73
<b>Kumar. Bihari. Pandey</b>			
Opening Balance	-	-	-
Loan Taken	153.69	-	-
Loan Repaid	153.69	-	-
Closing Balance	-	-	-

	<b>Sunita Engineering works</b>			
	Opening Balance	13.66	0.60	17.35
	Loan Taken	55.00	34.56	72.50
	Loan Repaid	63.14	21.50	89.25
	Closing Balance	5.52	13.66	0.60
<b>2</b>	<b>Advances :</b>			
	<b>Mrs Shyama Tiwari</b>			
	Opening Balance	3.40	3.40	3.40
	Advance Given	-	-	-
	Advance Received	3.40	-	-
	Closing Balance	-	3.40	3.40
	<b>Abheshek S Pandey</b>			
	Opening Balance	-	-	-
	Advance Given	4.55	-	-
	Advance Received	4.55	-	-
	Closing Balance	-	-	-
	<b>Shweta S Pandey</b>			
	Opening Balance	-	-	-
	Advance Given	24.84	-	-
	Advance Received	24.84	-	-
	Closing Balance	-	-	-
	<b>Sunita die parts Pvt. Ltd</b>			
	Opening Balance	(97.84)	(106.42)	286.38
	Advance Given	509.94	281.03	181.00
	Advance Received	126.96	272.45	573.81
	Closing Balance	285.15	(97.84)	(106.42)
<b>3</b>	<b>Outstanding balances Payable/(Receivable)</b>			
	SUN-I.T.A. Microsystem	8.08	6.43	2.02
<b>4</b>	<b>Rent Deposit</b>			
	<b>M/S S B Industries</b>			
	Opening Balance	143.17	143.17	143.17
	Deposit Accepted	-	-	-
	Deposit Repaid	-	-	-
	Closing Balance	143.17	143.17	143.17
<b>5</b>	<b>Director Remuneration</b>			
	Mrs Sangeeta Kumar Bihari Pandey	-	-	-
	Mrs Sunita Virendra Tiwari	-	-	-
	Mr Satish Kumar Bihari Pandey	10.20	10.20	10.20
	Mrs. Ragini Satish Pandey	6.00	6.00	6.00
	Mr Sanjay Kumar Pandey	10.20	10.20	10.20
<b>6</b>	<b>Professional Charges</b>			
	Shweta S Pandey	-	-	1.02
	SUN-I.T.A. Microsystem	6.27	4.99	4.29
<b>7</b>	<b>Purchases</b>			
	Sunita die parts Pvt. Ltd	-	160.90	173.85
<b>8</b>	<b>Sales</b>			
	Sunita die parts Pvt. Ltd	-	56.30	17.55
<b>9</b>	<b>Rent Paid</b>			
	M/S S B Industries	6.00	6.00	8.00

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

27 **Earnings per share**

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Profits attributable to the equity holders of the Company (in lakhs)	337.71	80.99	26.66
Equivalent weighted average number of equity shares at the end of the year after considering right effect*	24,19,564	24,19,121	24,19,121
Earnings per share (basic)	13.96	3.35	1.10
Earnings per share (diluted)	13.96	3.35	1.10
Face value per equity share (Rs.)	10	10	10

\*

Equivalent weighted average number of equity shares at the end of the year after considering right effect is calculated as per AS 20 wherever fair value of share immediately prior to exercise of right is considered as book value of shares.

28 **Commitments and Contingent liabilities**

There are Commitments & contingent liabilities as on balance sheet dates.

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
TDS Default as per Traces of Income Tax, 1961 for AY 2022-23 & Prior years.	0.67	0.19	0.17
<b>Total</b>	<b>0.67</b>	<b>0.19</b>	<b>0.17</b>

32 The entire raw material consumption of the company is indigenous

33 There are no inflow & outflow in foreign currency

34 **Other statutory information**

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

- Balance shown under head Sundry debtors, creditors and advances are subject to confirmation.
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
- The Company has considered possible effects of ongoing pandemic Covid-19 while preparation of financial statements
- The Company has used all borrowings from bank and financial institution for the specific purpose for which it was taken at balance sheet date
- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification

For and on behalf of  
**K M A & Co**  
Chartered Accountants  
FRN:111899W

For and on behalf of board of directors  
**SUNITA TOOLS LTD**  
CIN:U29220MH1988PLC045850

**Keshav Chaubey**  
Senior Partner  
Membership No: 044900  
Date : 15th June 2023  
Place : MUMBAI  
UDIN : 23044900BGUGSO5139

**Sanjay K. Pandey**  
Chairman & Director  
DIN: 00739482  
Date : 15th June 2023

**Satish K Pandey**  
Managing Director  
DIN: 00158327  
Date : 15th June 2023

**Rupal Pankaj Dedhia**  
Company Secretary  
Membership No: 68289  
Date : 15th June 2023

SUNITA TOOLS LTD

Annexure V - Restated Financial Information

29 Ratio Analysis

Ratio	Numerator	Denominator	March 31,2023	March 31 ,2022	March 31 ,2021	% change from March 31, 2022 to March 31, 2023	% change from March 31, 2021 to March 31, 2022
Current ratio	Current Assets	Current Liabilities (Includes short term borrowings)	1.59	0.95	0.91	67.50%	3.82%
Debt- Equity Ratio	Total Debt	Shareholder 's Equity	5.17	(4.68)	(3.83)	-210.45%	21.99%
Debt Service Coverage ratio	EBITDA	Interest & Lease Payments + Principal Repayments	3.43	2.06	1.47	66.76%	39.71%
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder 's Equity	12.59	(0.26)	(0.07)	-4878.68%	256.94%
Inventory Turnover ratio	Revenue from sales of Products	Average Inventory	1.69	1.25	1.12	35.19%	11.94%
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivable	3.08	3.32	3.25	-7.15%	2.37%
Trade Payable Turnover Ratio	Purchase of Goods	Average Trade Payables	3.10	2.34	2.89	32.45%	-18.99%
Net Profit ratio	Net Profit After Tax	Revenue from operations	0.24	0.09	0.04	163.07%	151.74%
Return on Capital Employed	Earnings before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability	0.38	0.63	0.62	-39.67%	1.20%
Return on Investment	Gain/Interest Income from Investment	Investment	0.21	0.06	0.04	277.42%	57.08%

Percentage Change from 31st March 2021 to 31st March 2022:

Particulars	Reasons
Debt Service Coverage ratio	Substantial increase in earnings for debt service as compared to interest and principal repayment of long
Return on Equity ratio	Increase in net profits as compared to Average Shareholder's Equity.
Net Profit ratio	Substantial increase in Net Profit as compared to Revenue from operations
Return on Investment	Increase in interest income from fixed deposits with banks

Percentage Change from 31st March 2022 to 31st March 2023:

Particulars	Reasons
Current ratio	This is due to increase in current asset than current liability which shows business able to meet its short term obligations.
Debt- Equity Ratio	Increase in total shareholder fund due to right issue of share.
Debt Service Coverage ratio	It indicate your business generates enough income to manage payments on a new loan and still make a profit
Return on Equity ratio	Decreased in ratio due to increased in profits & avg shareholder fund
Inventory Turnover ratio	This is due to increased in revenue
Trade Payable Turnover Ratio	This is due to increased in purchases
Net Profit ratio	Substantial increase in Net Profit as compared to Revenue from operations
Return on Capital Employed	This is due to increase in loans
Return on Investment	Increase in interest income from fixed deposits with banks.

## Annexure V - Restated Financial Information

## 30 Employee benefits

## Post retirement employee benefits

The disclosures required under AS 19 on Employee Benefits, are given below:

## (a) Defined contribution plan

The Company has a defined contribution plan in respect of provident fund, ESIC. Contributions are made to provident fund & ESIC in India for employees as per regulations. The contributions are made to registered provident fund & ESIC administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	(Rs in Lakhs)		
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Employer contribution to provident fund	0.44	0.17	0.19
Employer contribution to ESIC	0.20	0.12	0.09

## Post retirement benefit plans

The group provides for gratuity liability in India as per payment of Gratuity Act, 1972. Employees who are in continuous service of 5 years are eligible for gratuity. The amount of gratuity payable on termination/retirement is the employees last drawn basic salary per month computed proportionately for 15 days for number of each completed year of service.

The employee's gratuity fund scheme managed by Life Insurance Corporation of India (LIC) is a defined benefit plan. The present value of obligation is determined based on Independent actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement & measures each unit separately to build up the final obligation.

## (b) Defined benefit plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

## Actuarial assumptions:

Particulars	(Rs in Lakhs)		
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate as at	7.25% p.s.	7.25% p.s.	7.25% p.s.
Future salary increases	7.00%	7.00%	7.00%
Mortality rate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
Withdrawal rate	1% to 3% depending on age	1% to 3% depending on age	1% to 3% depending on age

## Notes:

- Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

## 30.2 The amounts recognised in the balance sheet and movements in the net defined benefit obligation (DBO) are as follows :

Change in the present value of obligation	(Rs in Lakhs)		
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Present value of obligation at the beginning of the year	29.84	19.89	9.95
Current service cost	5.44	9.95	9.95
Interest cost	-	-	-
Benefits paid	-	-	-
Actuarial loss/(gain)	-	-	-
Past Service Cost	-	-	-
Present value of obligation at the end of the year	35.28	29.84	19.89

Amount recognised in the statement of profit and loss	(Rs in Lakhs)		
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	5.44	9.95	9.95
Interest cost	-	-	-
Actuarial loss/(gain)	-	-	-
Past service cost	-	-	-
Total expense recognised in the statement of profit and loss	5.44	9.95	9.95

SUNITA TOOLS LTD

ANNEXURE VI - Restated Financial Information

31 Adjustment made in restated financial statements

Adjustments having impact on profit

Impact on Profit and Loss A/c

(Rs in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
<b>Profit as per Audited Financials</b>	300.19	94.15	40.87
<b>Adjustments For :</b>			
Add/ (Less): Adjustment due to Depreciation	10.51	(3.68)	(3.61)
Add/ (Less): Adjustment for provision for gratuity expense	29.84	(9.95)	(9.95)
Add/ (Less): On account of deferred tax charge to P&L instead of other equity	(2.83)	0.47	(0.66)
Prior			
<b>Profit as per Restated Financials</b>	<b>337.71</b>	<b>80.99</b>	<b>26.66</b>

Changes done in reserves & surplus has been restated for the financial years

(Rs in Lakhs)

Particulars	Year ended March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Reserves &amp; Surplus as per audited financial statement</b>	(108.12)	(408.32)	(502.46)
Add/ (Less): Carry forward impact of previous year	(39.20)	(26.06)	(11.85)
Add/ (Less): Impact on Profit and Loss A/c	37.52	(13.14)	(14.21)
<b>Reserves &amp; Surplus as per restated financial statement</b>	<b>(109.81)</b>	<b>(447.52)</b>	<b>(528.52)</b>

Adjustments not having impact on profit

Appropriate adjustments 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 latest audited 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).

SUNITA TOOLS LTD

ANNEXURE VII - Statement of accounting ratio as restated

(Rs in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Restated Profit after tax as per P & L Account	337.71	80.99	26.66
Actual number of equity shares outstanding at the end of the year	43,05,000	18,05,000	18,05,000
Equivalent weighted average number of equity shares at the end of the year after considering right effect	24,19,564	24,19,121	24,19,121
Diluted weighted average number of potential equity shares at the end of the year	24,19,564	24,19,121	24,19,121
Share capital*	430.50	180.50	180.50
Reserves & surplus	(109.81)	(447.52)	(528.52)
<b>Net Worth</b>	<b>320.69</b>	<b>(267.02)</b>	<b>(348.02)</b>
<b>Earnings Per Share (EPS):</b>			
Basic EPS after considering effect of right issue	13.96	3.35	1.10
Diluted EPS	13.96	3.35	1.10
Weightage	3.00	2.00	1.00
Return on net worth (%)	105.31%	-30.33%	-7.66%
Net asset value per share (Rs) - based on actual no. of equity shares at the end of the year	7.45	(14.79)	(19.28)
Net asset value per share (Rs) - Equity shares at the end of the year after considering effect of right issue	13.25	(11.04)	(14.39)
Face value per equity share (Rs.)	10	100	100
Net Tangible Asset	1,146.31	165.08	117.16
Earning before depreciation & tax	387.82	121.95	64.42

**Notes to Accounting Ratios:**

a) The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively.

b) Formulas used for calculating above ratios are as under

i. Basic EPS is being calculated by using the formula: ( Net profit after excluding extra-ordinary items / Equivalent weighted average No. of outstanding shares )

ii. Net asset value is being calculated by using the formula: ( Net worth / Actual number of equity shares at year end )

iii. Return on Net worth is being calculated by using the formula: ( Profit after Tax / net worth

iv.

Notes:

\* As there is no dilutive capital in the company, basic and biluted earnings per share are simila

## Annexure VIII - Restated Consolidated Statement of Capitalisation

### CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at March 31, 2023, on the basis of the Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" respectively.

*(Rs in Lakhs)*

<b>Particulars</b>	<b>Pre offer as at March 31,2023</b>	<b>As adjusted for the proposed Offer*</b>
Borrowings:		
Long term borrowings (A)	973.08	[.]
Short term borrowings (B)	683.83	[.]
Total borrowings (C)	<b>1656.91</b>	[.]
Equity:		
Equity share capital	430.50	[.]
Reserves and surplus	-109.81	[.]
Total equity (D)	<b>320.69</b>	[.]
Ratio: Long term borrowings (A)/ Total equity (D)	<b>3.03</b>	[.]
Notes:		
1. As per the Restated Financial Statements.		

The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement

**Annexure XI - Financial indebtedness**

Set forth below, is a brief summary of our Company's borrowings as on March 31, 2023 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements.

<i>(Rs in Lakhs)</i>	
Nature of borrowing	Amount
Secured borrowings (Refer note A below)	1,464.17
Unsecured borrowings (Refer note B below)	195.79
<b>Total</b>	<b>1,659.96</b>

**A. Details of secured loans**

<i>(Rs in Lakhs)</i>					
Name of lender	Type of loan	Date of Sanction	Amount sanctioned/Loan Amount	Amount outstanding as on March 31, 2023	Interest rate
Axis Bank	Term Loan	February 02, 2021	598.80	518.52	Repo Rate + 4% i.e. 8% p.a. at present
Axis Bank	Working Capital/Overdraft	March 22, 2022	10.11	-	Repo Rate + 4% i.e. 8% p.a. at present
Bank Of Maharashtra	Working Capital/Overdraft	September 22, 2022	500.00	488.04	Margin 25%, ROI = RLLR + 2.25 + BSS (0.50 - 0.75) Collateral Consession = 10.20%
Yes Bank	Term Loan	September 30, 2022	449.00	441.93	Interest Rate = 9.20% p.a. (Floating)
Yes Bank	Motor Car Loan	July 02, 2022	16.57	15.68	ROI : 7.51%
<b>Total</b>			<b>1,574.48</b>	<b>1,464.17</b>	

**(1) Details of security for term Loan & Overdraft facility from Axis Bank**

i. Primary Security : NA

ii. Secondary security : Plot No A survey no 66,hissa no part waliv gram panchayat, panchayat samiti vasai zila parishad thane vasai III, Thane Maharashtra 401201. Owner Name : S B Industries, Property Type : Commercial Office.

iii. Gaurantee : Personal Guarantors are Mr Kumar Bihari Pandey,Mr Satish Bihari Pandey,Mrs Sangeeta Kumarbihari Pandey,Mr Sanjay Kumar Pandey, M/S S B Industries.

Repayment of Cash credit/Workign Capital/ Overdraft: On Demand (Monthly Basis (from 01/03/202

Repayment for Term Loan:

No of Installment	Start Date	Amount of Installment	Frequency
0	01-03-2021	-	Monthly
1	01-03-2021	5,71,000	Monthly
179	01-04-2021	5,71,000	Monthly

**(2) Details of Security for CC/ Overdraft from Bank of Maharashtra:**

The cash credit facility availed from Bank of Maharashtra, Malad west branch (Mumbai) has been secured by hypothecation of Fixed deposit

i. Primary Security : Hyposthecaton of stocks & receivable, debtors upto 120 days shall be reckoned for DP purpose. Obsolete stock, and debtors from associated and related concerns would not be considered for calculation of DP.

ii. Secondary security : Plot No 38,survey no 66/1 of village waliv hissa no part waliv Taluka vasai, district Palgh

iii. Gaurantee : Personal Guarantors are Mr Satish Kumar Pandey,Mr Sanjay Kumar Pandey, Mrs Ragini Satish Pande

Rate of Interest : Subject to change upward and downward as the case may be, in line with movement of Repo Linked Lending Rate(RLLR). At present RLLR is 8.20%.

Repayment : On demand

Note : All overdraft facilities limit will be reviewed on every 12 Month

**(3) Details of security for Term Loan from Yes Bank**

i. Security: Mortgage of property, Plot No 40, survey no 66, village wadiv, golani naka, piakapada city-vasai, district - Palghar,Maharashtra, Link road - 401202.

ii Loan Tenure is 180 months

**(4) Details of security for Car Loan from Yes Bank**

i. Security: The loan has been secured against Car

ii Loan Tenure is 72 months

**Unsecured Loans:**

The below unsecured loan has been availed from shareholders of compan'

<i>(Rs in Lakhs)</i>			
Name of lender	Type of loan	Interest Rate	Outstanding Loan as on 31.03.23
Lon from Directors	Unsecured Loan	Interest Free	69.54
Loan from Related Party	Unsecured Loan	Interest Free	126.25
<b>Total</b>			<b>195.79</b>

## Annexure -X-Statement of tax shelters as restated

(Rs in Lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
<b>Tax Rates</b>			
Income tax rate (%)	22.00%	25.00%	25.00%
Surcharge	10.00%	0.00%	0.00%
<i>Income tax plus surcharge</i>	25.00%	25.00%	25.00%
Education cess	4.00%	4.00%	4.00%
Income tax rate (%)	25.17%	26.00%	26.00%
<b>Income from business or profession</b>			
Restated profit before tax as per books (B)	336.71	80.53	27.32
Less			
Income From House Property	21.66	13.13	22.71
Income From Other Sources	11.24	2.22	2.43
<b>Timing differences</b>			
Add :Depreciation as per Books	61.62	41.42	37.10
Less : Depreciation as per I.Tax	134.52	39.62	39.63
Add: Provision for gratuity	35.28	29.84	19.89
<b>Total timing differences (C)</b>	<b>(37.62)</b>	<b>31.64</b>	<b>17.36</b>
Net Business Income	266.20	96.81	19.54
Income From House Property	15.16	9.19	15.90
Income from other Sources	11.24	2.22	2.43
<b>Permanent differences</b>			
Add : Others	-	-	-
<b>Total permanent differences (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Taxable income (E) = (B+C+D)</b>	<b>292.60</b>	<b>108.22</b>	<b>37.87</b>
<b>Brought Forward Losses</b>	<b>-</b>	<b>440.94</b>	<b>529.28</b>
<b>Carry forward</b>	<b>148.34</b>		
<b>Net Taxable Income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income tax on above</b>	<b>-</b>	<b>-</b>	<b>-</b>
Add: Interest			
Tax payable	-	-	-
Tax paid as per return	3.30	2.14	2.18
Difference	-	(2.14)	(2.18)

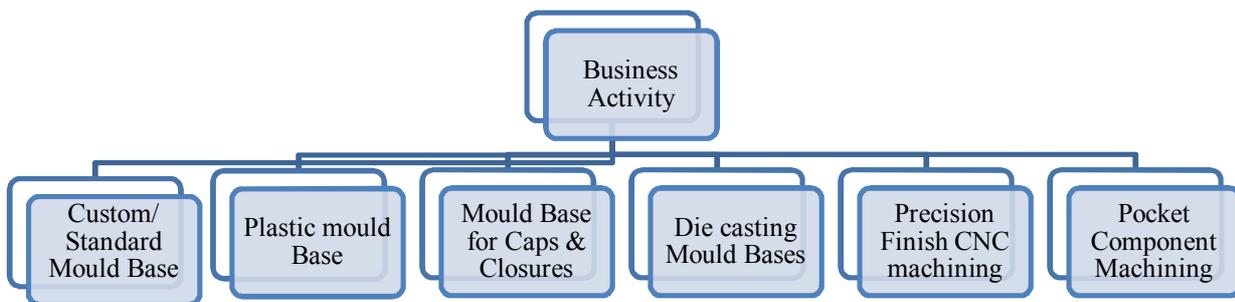
## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

You should read the following discussion and analysis of financial condition and results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### BUSINESS OVERVIEW

Our company, Sunita Tools Limited is engaged in the business of manufacturing of high quality engineered goods. We have in-house manufacturing plant for the complete end to end process which is located at Plot A, S No. 66, Valiv heavy Industrial area, Valiv phatta, Vasai East, Palghar, Maharashtra, India. Our primary activity involves production of following items:



We mainly play a connecting role and support the manufacturers of end user product. We are not linked with the consumer directly and therefore act as intermediate. Major share of revenue are earned from Mutual Engineering Pvt. Ltd, CTM India Ltd (Mothersons Group), Abhijeet Dies & Tools Pvt. Ltd, Sidel India Pvt Ltd, Master Moulds Pvt. Ltd etc. We are focused in producing mould base & machining parts and provide innovative solutions as per our customer needs.

The mould base industry is an essential component of the larger manufacturing sector. By providing high-quality mould bases, it supports the production of a wide range of products across industries such as automotive, consumer goods, electronics and more. This industry's contributions are vital in enabling innovation, growth, and competitiveness in these sectors. By utilizing standardized mould bases, manufacturers can save significant time and cost in product development and production. The mould base industry offers a variety of standardized designs and components, reducing the need for starting from scratch in every project. This efficiency helps in accelerating the manufacturing process and reducing time-to-market.

We are focusing on adopting new technologies and innovations to improve the manufacturing process and enhance product quality. This includes the use of advanced materials, computer-aided design (CAD), and computer-aided manufacturing (CAM) software, precision machining techniques, and automation. These advancements drive efficiency, accuracy, and overall productivity in the production of mould bases.

The mould base industry's precision, customization options, efficiency, collaboration, innovation, and contribution to the manufacturing sector make it an integral part of the global manufacturing ecosystem. Its ability to deliver high-quality mould bases plays a significant role in enabling the production of various products efficiently and to the desired specifications.

## **Significant Developments after March 31, 2023 that may affect our Future Results of Operations**

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Draft Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

### **RECENT DEVELOPMENT**

#### **FACTORS AFFECTING OUR RESULT OF OPERATIONS**

##### **Economic conditions in the markets in which we operate**

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India. Any change in macro-economic conditions in these markets, including changes in interest rates, government policies or taxation and political, economic or other developments could affect our business and results of operations. Our diversification to multiple sectors in India may perform differently and be subject to market and regulatory developments that are dissimilar to the markets in other parts of the world. While stronger economic conditions tend to result into higher demand for our products, weaker economic conditions tend to result into lower demand. Change in demand in the market segments we currently supply or improvement/deterioration in the market or a change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition.

##### **Dependence of demand from end-user industries**

We have a diversified customer base and believe that we have strong and long established relationships with most of our customers. Although our products are sold to a large number of customers across various markets, a significant portion of our revenue is derived from our top ten customers, which constitutes 87.39% of our revenue from operations for the period ended March 31, 2023. Significant reliance on these and other major customers may result in certain pricing pressures. Any loss or significant decrease in business from one or more of our significant customers would have an adverse effect on our sales. In addition, the income from these customers may vary from year to year. Demand for our products from these customers has a significant impact on our results of operations and financial condition, and our sales are particularly affected by the inventory and production levels of our key customers.

We cannot predict when our customers will decide to either increase or reduce inventory levels which may have an impact on us. We may experience reduction in cash flows and liquidity if we lose one or more of our major customers or if the amount of business from them is reduced for any reason. For majority of our customers, we have some arrangements which defines the terms and conditions of purchases by such customers. These purchase orders specify the price at which the products are to be supplied and the quantities are supplied based on delivery schedules provided by the customers based on their own demand and supply situation. Although our customers provide us with forecasts of annual business volumes, which enable us to predict our income for a portion of our business, the actual orders are only placed by way of on-going purchase orders. Actual production volumes may vary from these estimates due to variations in consumer demand for the related product leading to underutilized capacity or incurring additional expenditure to deploy additional resources to meet delivery timelines.

##### **Our ability to successfully implement its strategy and its growth and expansion plans**

Our revenue and our business operations have grown in recent years. Although we plan to continue to expand our scale of operations, we may not be able to sustain these rates of growth in future periods due to a number of factors, including, among others, our execution capability, our ability to retain, maintain & enter into new distribution agreement, our ability to maintain customer satisfaction, our ability to mobilize sufficient working capital, macroeconomic factors beyond our control such as decline in global economic conditions, availability of cheaper imported / domestic products / brands, competition within each product category from players in the organized and unorganized segments, the greater difficulty of growing at sustained rates from a larger revenue base, our inability to control our expenses and the availability of resources for our growth. There can be no assurance that we will not suffer from capital constraints, operational difficulties or difficulties in expanding existing business operations.

**RESULTS OF OUR OPERATIONS**
*(₹ in lakhs)*

Particulars	For the year ended March 31,					
	2023	% of Total Income	2022	% of Total Income	2021	% of Total Income
<b>INCOME:</b>						
Revenue from Operations	1,384.44	97.68%	873.47	98.27%	666.36	96.36%
Other Income	32.89	2.32%	15.41	1.73%	25.14	3.64%
<b>Total Income (A)</b>	<b>1,417.33</b>	<b>100.00%</b>	<b>888.88</b>	<b>100.00%</b>	<b>691.50</b>	<b>100.00%</b>
<b>EXPENSES:</b>						
Cost of Materials Consumed	877.71	61.93%	323.55	36.40%	203.44	29.42%
Change in Inventory	-442.83	-31.24%	31.85	3.58%	-15.66	-2.26%
Employee benefit expenses	202.34	14.28%	169.04	19.02%	149.19	21.58%
Finance costs	155.02	10.94%	115.11	12.95%	135.89	19.65%
Depreciation and amortization	51.11	3.61%	41.42	4.66%	37.10	5.37%
Other expenses	237.27	16.74%	127.38	14.33%	154.21	22.30%
<b>Total Expenses (B)</b>	<b>1,080.62</b>	<b>76.26%</b>	<b>808.35</b>	<b>90.94%</b>	<b>664.18</b>	<b>96.06%</b>
<b>Net Profit / (Loss) before tax</b>	<b>336.71</b>	<b>23.74%</b>	<b>80.53</b>	<b>9.06%</b>	<b>27.32</b>	<b>3.94%</b>
<b>Less: Tax expense</b>						
(i) Current tax	-	0.00%	-	0.00%	-	0.00%
(iii) Deferred tax	1.98	0.14%	-0.47	-0.05%	0.66	0.09%
(b) Short/ Excess Tax provision for earlier periods	-2.98	-0.21%	-	0.00%	-	0.00%
<b>Total Tax Expense</b>	<b>(1.00)</b>	<b>-0.07%</b>	<b>(0.47)</b>	<b>-0.05%</b>	<b>0.66</b>	<b>0.09%</b>
<b>Net Profit / ( Loss ) after tax</b>	<b>337.71</b>	<b>23.81%</b>	<b>80.99</b>	<b>9.11%</b>	<b>26.66</b>	<b>3.85%</b>

## ***Main Components of our Profit and Loss Account***

### **Income**

Our total income comprises of revenue from Sale of Products and other income.

#### *Revenue from Operations*

Our revenue from operations as a percentage of total income was 97.68%, 98.27%, 96.36% for fiscal year ended on FY 2023, FY 2022 and FY 2021 respectively.

#### *Other Income*

Our other income comprises of Interest income, Rent income. Other income, as a percentage of total income was 2.32%, 1.73%, 3.64% for the fiscal year ended on FY 2023, FY 2022 and FY 2021 respectively.

### **Expenditure**

Our total expenditure primarily consists of raw material consumed, change in inventory, employee benefit expenses, finance cost, depreciation expenses, other expenses and prior period expenses.

#### *Cost of Raw Material Consumed*

It consists of cost of raw materials consumed *Change in Inventory, purchase of raw materials.*

Change in Inventory comprises of difference in opening and closing balance of work in progress & finished goods.

#### *Employee Benefit Expenses*

Employee benefit expenses comprises of salaries, director remuneration, annual leave encashment, bonus, skilled worker training stipend, staff welfare expenses, contribution to PF, ESIC and gratuity.

#### *Depreciation and Amortization Cost*

Depreciation and Amortization Expenses consist of depreciation on the Tangible assets of our company i.e. Buildings, Furniture & Fixtures, Plant & Machinery, Computer, Office Equipments, Vehicle.

#### *Finance costs*

Finance cost includes Interest, processing fees, stamp duty charges on borrowings from bank and unsecured loans.

#### *Other Expenses*

Other expenses include Transport charges, Store consumables, Legal & professional expenses, Power & fuel, Mould base accessories, Labour charges, Rent, Insurance expense, Repairs and Maintenance, Telephone and Internet charges, Hiring charges, Postage and courier charges, Auditor's fees, Bank charges and Miscellaneous expenses.

#### *Provision for Tax*

The provision for current tax is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

## **Fiscal 2023 compared with fiscal 2022**

### *Income*

In fiscal 2023, our revenue from operations increased by ₹ 510.97 lakhs or 58.50%, from ₹ 873.47 lakhs in fiscal 2022 to ₹ 1,384.44 lakhs in fiscal 2023. The increase in the year 2023 was due to increase in number of orders and increase in range of products manufactured as compared to last year.

Other income increased by ₹ 17.48 lakhs or 113.43%, from ₹ 15.41 lakhs in fiscal 2022 to ₹ 32.89 lakhs in fiscal 2023 due to increase in rent income & interest income in Fiscal 2023.

#### *Cost of Material Consumed*

Cost of material consumed increased by ₹554.16 lakhs or 171.27%, from ₹323.55 lakhs in Fiscal 2022 to ₹877.71 lakhs in Fiscal 2023 as we purchased bulk quantity of raw materials to meet the requirement of production house.

#### *Change in Inventory*

Inventory of Work- in – progress changed from ₹ 31.85 lakhs to (442.83) lakhs.

#### *Employee Benefit Expenses*

Employee Benefit Expenses increased by ₹ 33.30 lakhs or 19.70%, from ₹ 169.04 lakhs in fiscal 2022 to ₹ 202.34 lakhs in fiscal 2023. This increase was mainly due to increase in salaries of employee, we have paid leave encashment for employee and there is increase in staff welfare expenses.

#### *Finance Costs*

Finance Costs increased by ₹ 39.91 lakhs or 34.67%, from ₹ 115.11 lakhs in fiscal 2022 to ₹ 155.02 lakhs in fiscal 2023. This increase was mainly due to increase in borrowing from bank which increased our interest cost during the year.

#### *Depreciation Expenses*

Depreciation expenses were ₹ 41.42 lakhs in fiscal 2022 as compared to ₹ 51.11 Lakhs in fiscal 2023.

#### *Other Expenses*

Other expenses increased by ₹ 109.89 lakhs or 86.27% from ₹ 127.38 lakhs in fiscal 2022 to ₹ 237.27 lakhs in Fiscal 2023. The increase majorly consisted of power & fuel, mould base accessories, labour charges, repairs and maintenance, transport cost, professional charges paid and incurred during the year.

#### *Profit/ (Loss) before Tax*

The increase in scale of operations has led to increase in our Profit before tax by ₹ 256.18 lakhs or 318.12 % from ₹ 80.53 lakhs in fiscal 2022 to ₹ 336.71 lakhs in fiscal 2023.

#### *Tax Expenses*

The Company's tax expenses had decreased by ₹ 0.53 lakhs from (0.47) lakhs in the Fiscal 2022 to ₹ (1.00) lakhs in Fiscal 2023 as tax liability decreased due to (short)/excess provisions of earlier years.

#### *Profit/ (Loss) after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 256.72 lakhs or 316.98 %, from ₹80.99 lakhs in fiscal 2022 to ₹ 337.71 lakhs in fiscal 2023.

### **Fiscal 2022 compared with fiscal 2021**

#### *Income*

In fiscal 2022, our revenue increased by ₹ 207.11 lakhs or 31.08%, from ₹ 666.36 lakhs in fiscal 2021 to 873.47 lakhs in fiscal 2022. Increased in revenue was due to increase in sales.

Other income decreased by ₹ 9.73 lakhs or 38.70%, from ₹ 25.14 lakhs in fiscal 2021 to ₹ 15.41 lakhs in fiscal 2022 as there was decrease in rent amount during Fiscal 2022.

#### *Cost of Material Consumed*

Cost of material consumed increased by ₹ 120.11 lakhs or 59.04%, from ₹ 203.44 lakhs in Fiscal 2021 to ₹ 323.55 lakhs in Fiscal 2022 due to increase in raw material purchases.

#### *Change in Inventory*

Inventory of Work-in – progress & finished goods changed from (15.66) lakhs to 31.85 lakhs.

#### *Employee Benefit Expenses*

Employee Benefit Expenses increased ₹ 19.85 lakhs or 13.31%, from ₹ 149.19 lakhs in fiscal 2021 to ₹ 169.04 lakhs in fiscal 2022. These expenses are increased due to increases in salary & wages.

#### *Finance Costs*

Finance Costs decreased by ₹ 20.78 lakhs or 15.29%, from ₹ 135.89 lakhs in fiscal 2021 to ₹ 115.11 lakhs in fiscal 2022. This decrease was mainly due to repayment of term loans during the year which as a result improved our finance cost.

#### *Depreciation Expenses*

Depreciation expenses were ₹ 37.10 lakhs in fiscal 2021 as compared to ₹ 41.42 lakhs in fiscal 2022.

#### *Other Expenses*

Other expenses decreased by ₹ 26.83 lakhs or 17.40 % from ₹ 154.21 lakhs in fiscal 2021 to 127.38 lakhs in Fiscal 2022. During Fiscal 2022 there was decrease in insurance expenses.

#### *Profit/ (Loss) before Tax*

The increase in revenue from operations has led to increase in our Profit before tax by ₹ 53.21 lakhs or 194.77 % from ₹ 27.32 lakhs in fiscal 2021 to ₹ 80.53 lakhs in fiscal 2022.

#### *Tax Expenses*

The Company's tax expenses had decreased by ₹1.13 lakhs or 171.21 % from ₹ 0.66 lakhs in the Fiscal 2021 to ₹ (0.47) lakhs in Fiscal 2022 due to change in deferred taxes .

#### *Profit/ (Loss) after Tax*

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 54.33 lakhs or 203.79 %, from ₹ 26.66 lakhs in fiscal 2021 to ₹ 80.99 lakhs in fiscal 2022.

### **Cash Flows**

(₹ in lakhs)

Particulars	For the year ended March 31		
	2023	2022	2021
Net Cash from Operating Activities	(274.21)	262.00	321.91
Net Cash from Investing Activities	(233.70)	(50.37)	(31.54)
Net Cash used in Financing Activities	502.73	(200.58)	(294.62)
<b>Net Increase / (Decrease) in Cash and Cash equivalents</b>	<b>(5.18)</b>	<b>11.05</b>	<b>(4.25)</b>

### ***Cash Flows from Operating Activities***

Net cash from operating activities for the fiscal 2023 was ₹ (274.21) lakhs as compared to the PBT of ₹ 336.71 lakhs for the same period. This difference is primarily on account of changes in inventory, changes in Short term loans and advances, changes in Trade receivables.

Net cash from operating activities in fiscal 2022 was ₹ 262.00 lakhs as compared to the PBT of ₹ 80.53 lakhs for the same year. This difference is primarily on account of change in inventory, changes in trade payables and increases in trade receivables.

Net cash from operating activities in fiscal 2021 was ₹ 321.91 lakhs as compared to the PBT of ₹ 27.32 lakhs for the same year. This difference is primarily on account of change in inventory, decrease in trade receivable.

### ***Cash Flows from Investment Activities***

In fiscal 2023 the net cash utilized in investing activities was ₹ 233.70 lakhs for purchases of plant & machinery, office equipment, vehicles, computer, renovation of factory building.

In fiscal 2022 the net cash utilized in investing activities was ₹ 50.37 lakhs for purchases of plant & machinery, office equipment, vehicles, computer, renovation of factory building.

In fiscal 2021, the net cash utilized in investing activities was ₹ 31.54 lakhs for purchases of plant & machinery and office equipment, vehicles, computer, renovation of factory building.

### ***Cash Flows from Financing Activities***

Net cash received in financing activities in fiscal 2023 was ₹ 502.73 lakhs. This was on account of proceeds of short & long term borrowings.

Net cash used in financing activities in fiscal 2022 was ₹ 200.58 lakhs. This was on account of repayment of long term borrowings and finance cost incurred during the year.

Net cash used from financing activities in fiscal 2021 was ₹ 294.62 lakhs. This was on account of repayment of both short-term and long term borrowings and finance cost incurred during the year.

### ***OTHER MATTERS***

#### **1. Unusual or infrequent events or transactions**

Except as described in this Draft Prospectus, during the period/ years under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

#### **2. Significant economic changes that materially affected or are likely to affect income from continuing Operations**

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” on page 128 and 154 respectively of this Draft Prospectus respectively, to our knowledge there are no 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 chapter titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*” on page 22 and 154 respectively of this Draft Prospectus respectively, best 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**

Other than as described in the chapter titled “*Risk Factors*” on page 22 of this Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

#### **5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new components or increased prices**

Increase in revenues is majorly linked to increase in product line, introducing new customers and working to capture as much requirements of existing customer as possible. We have also made strategic investment in cost-efficient machines to cater the change in demand and trends of our product line.

#### **6. Status of any publicly announced new services or business segments**

Please refer to the chapter titled “*Our Business*” on page 84 of this Draft Prospectus.

#### **7. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

#### **8. Any significant dependence on a single or few suppliers or customers**

For year ended March 31, 2023, the revenue from our top 5 and top 10 customers constituted approximately 64.14% and 87.39% respectively of the revenue from operations. For year ended March 31, 2023, the purchases from our top 5 and top 10 suppliers constituted approximately 94.63% and 99.76% respectively of the purchases. For further details, please refer chapter “*Our Business*” on page 84 of this Draft Prospectus.

#### **9. Competition Conditions**

We face competition from various domestic and international players in the market. We intend to continue competing rigorously to capture more market share and manage our growth in an optimal way. We expect that our commitment to quality, past record of timely execution and transparency will provide us with an edge over our competitors. Further we believe that our competition also depends on several factors which include changing business framework, competitive price, and delivery at given timeline and established relationship with clients, suppliers, brand recognition etc.

## FINANCIAL INDEBTEDNESS

The Company and subsidiaries avail loans and financing facilities in the ordinary course of business for meeting working capital and business requirements.

The details of the indebtedness of the Company as on March 31, 2023 is provided below:

*(in Rupees lakhs)*

Nature of Borrowings	March 31, 2023
Secured Borrowings (fund based)	1,464.17
Unsecured Borrowings	195.79
<b>Total</b>	<b>1,659.96</b>

Particulars	Amount Outstanding as on March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Tenure	Secured against
<b>Details of secured borrowings</b>						
Axis Bank	518.52	Repo Rate + 4% i.e. 8% p.a. at present	February 02, 2021	598.80	180 Months	<p>i. Primary Security : NA</p> <p>ii. Secondary security : Plot No A survey no 66,hissa no part waliv gram panchayat, panchayat samiti vasai zila parishad thane vasai III, Thane Maharashtra 401201. Owner Name : S B Industries, Property Type : Commercial Office.</p> <p>iii. Gaurantee : Personal Guarantors are Mr Kumar Bihari Pandey,Mr Satish Bihari Pandey,Mrs Sangeeta Kumarbihari Pandey,Mr Sanjay Kumar Pandey, M/S S B Industries.</p>
Bank Of Maharashtra	488.04	Margin 25%, ROI = RLLR + 2.25 + BSS (0.50 - 0.75) Collateral Consession = 10.20%	September 22, 2022	500.00	12 Months	<p>i. Primary Security: Hyposthecation of stocks &amp; receivable, debtors upto 120 days shall be reckoned for DP purpose. Obsolete stock, and debtors from associated and related concerns would not be considered for calculation of DP.</p> <p>ii. Secondary security: Plot No 38,survey no 66/1 of village waliv hissa no part waliv Taluka vasai, district Palghar.</p> <p>iii. Gaurantee : Personal Guarantors are Mr Satish Kumar Pandey,Mr Sanjay Kumar Pandey, Mrs Ragini Satish Pandey.</p> <p>Rate of Interest : Subject to change upward and downward as the case may be , in line with</p>

Particulars	Amount Outstanding as on March 31, 2023	Interest rate	Sanction letter date	Amount Sanctioned	Tenure	Secured against
						movement of Repo Linked Lending Rate (RLLR). At present RLLR is 8.20%.
Yes Bank	441.93	Interest Rate = 9.20% p.a. (Floating)	September 30, 2022	449.00	180 Months	i. Security: Mortgage of property, Plot No 40, survey no 66, village wadiv, golani naka, piakapada city-vasai, district - Palghar, Maharashtra, Link road - 401202.
Yes Bank	15.68	ROI : 7.51%	July 02, 2022	16.57	72 Months	i. Security: The loan has been secured against Car.
<b>Details of Unsecured borrowings</b>						
Particulars	Outstanding amount as on March 31, 2023	Interest rate		Terms		
Loan from directors	69.54	Interest Free		Repayable on demand.		
Loan from others	126.25	Interest Free		Repayable on demand.		

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.

Our Board, in its meeting held on June 17, 2023, determined that outstanding legal proceedings involving the Company, its Directors and Promoters will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1% of Revenue 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.

*Our Company, our Promoters and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

#### **LITIGATION INVOLVING OUR COMPANY**

##### **A. LITIGATION AGAINST OUR COMPANY**

**1. Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

##### **B. LITIGATION FILED BY OUR COMPANY**

**1. Litigation Involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**LITIGATION INVOLVING OUR PROMOTERS AND DIRECTORS**

**A. LITIGATION AGAINST OUR PROMOTERS AND DIRECTORS**

**1. Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

*(Rs. In Lakhs)*

Type of Direct Tax	No. of Cases	Amount in dispute/ demanded (₹ in Lakhs)
<b>Sangeeta Pandey</b>		
Income Tax	1	0.04
<b>Sanjay Kumar Pandey</b>		
Income Tax	1	0.94
<b>Satish Kumar Pandey</b>		
Income Tax	1	2.46

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR PROMOTERS AND DIRECTORS**

**1. Litigation Involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**LITIGATION INVOLVING GROUP COMPANY**

**A. LITIGATION AGAINST OUR GROUP COMPANY**

**1. Litigation involving Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANY**

**1. Criminal matters**

NIL

**2. Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**(i) Direct Tax Liabilities**

NIL

**(ii) Indirect Taxes Liabilities**

NIL

**4. Other Pending Litigations**

NIL

## AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

As of March 31, 2023, our Company owes the following amounts to small scale undertakings, other creditors and material creditors:

*(Rs. in lakhs)*

<b>Particulars</b>	<b>Number of Creditors</b>	<b>Amount involved</b>
Micro, Small and Medium Enterprise	5	336.90
Material Creditors	123	74.06
Other Creditor	12	44.06
<b>Total Creditors</b>	<b>140</b>	<b>455.02</b>

Details in relation to the amount owed by our Company to material creditors, small scale undertakings and other creditors as on March 31, 2023 are also available on [www.sunitatools.com](http://www.sunitatools.com).

It is clarified that information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at its own risk.

## DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS IN THE LAST FIVE FINANCIAL YEARS

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters during the last 5 financial years including outstanding actions.

## MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed elsewhere in this Draft Prospectus, there have been no material developments that have occurred after the Last Balance Sheet Date.

## GOVERNMENT AND OTHER KEY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake the Issue and our current/proposed business activities and no further major approvals from any governmental/ regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental, enable our Company to carry out its activities.

### I. Approvals for the Issue

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on June 09, 2023 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the extra ordinary general meeting held with a shorter notice on June 12, 2023 authorized the Issue.

### II. Approvals pertaining to Incorporation, name and constitution of our Company.

1. Certificate of Incorporation dated January 12, 1988 from the Registrar of Companies, Mumbai, under the Companies Act, 1956 as “SUNITA TOOLS PRIVATE LIMITED”
2. Fresh certificate of incorporation dated April 28, 2023 pursuant to Change of the Name of the Company from “SUNITA TOOLS PRIVATE LIMITED” to “SUNITA TOOLS LIMITED”, issued by the Registrar of Companies, Mumbai.
3. The Corporate Identity Number (CIN) of the Company is U29220MH1988PLC045850.
4. ISIN of the Company is INE0Q1S01010.

### III. TAX RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)*	Income-tax Department, Government of India	AAECS6479C	January 12, 1988	Valid until cancelled
2.	Central Excise Registration Certificate under Central Excise Rules, 2002*	Central Board of Excise and Customs	AAECS6479CXM002	February 22, 2005	Valid until cancelled
3.	Certificate of Registration issued under GST*	Commercial Tax Department, Government of India	27AAECS6479C1Z5	September 22, 2017	Valid until cancelled
4.	Company has obtained Tax Deduction Account Number (TAN) from Income-tax Department, Government of India bearing registration number MUMS38864A*.				

\* Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company.

#### IV. LABOUR RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Certificate of Registration under the Employees Provident Fund*	Employees' Provident Fund Organisation	9999941704MAL	February 10, 2017	Valid until cancelled
2.	Certificate of Enrolment under the Maharashtra State Tax on Professions, Traders, Callings and Employments Act, 1975*	Maharashtra Sales Tax Department	99471967553P	November 06, 2012	Valid until cancelled
3.	Company has obtained Certificate of Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975* from Maharashtra Sales Tax Department bearing registration number 27860004422P.				
4.	Company has obtained Certificate of Registration under the Employee State Insurance Act, 1948* from Employees' State Insurance Corporation bearing registration number 35000001660000699.				

\* Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company.

#### V. KEY BUSINESS RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Factory License under Factories Act, 1948 for Plot No. A, Survey No. 66, Heavy Industrial Area, Valiv, Vasai (East), Vasai, Palghar-400063*	Directorate Industrial Safety and Health	123200000010030	January 10, 2023	December 31, 2027
2.	Udyam Registration Certificate*	Ministry of Micro, Small and Medium Industries.	UDYAM-MH-18-0046265	February 12, 2021	Valid until cancelled
3.	Udyog Aadhaar Registration Certificate*	Ministry of Micro, Small and Medium Industries.	MH18C0200047	February 25, 2020	Valid until cancelled
4.	Importer-Exporter Code*	Ministry of Commerce	0397044828	September 16, 1977	Valid until cancelled

\* Our Company is yet to make applications to respective authorities for updating each of the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company.

#### VI. INTELLECTUAL PROPERTY

For details regarding Intellectual Property, please refer chapter titled "Our Business" beginning on page no. 84 of this Draft Prospectus

#### VII. PENDING APPROVALS

##### A. Pending For Renewal

NIL

##### B. Applications for Registration

The Company has made an Application to Maharashtra Pollution Control Board having UAN No. MPCB CONSENT-0000175472 for obtaining Consent to operate under the Water (Prevention & Control of Pollution) Act, 1974, Section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorization/ Renewal of Authorization under Rule 5 of Hazardous Wastes (Management, Handling & Transboundary Movement) Rules, 2008.

## SECTION IX – OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated June 09, 2023 authorized the Issue, subject to the approval by the shareholders of our Company under Section 62 (1) (c) of the Companies Act, 2013.

The shareholders have authorized the Issue, by passing a Special Resolution at the Extra-Ordinary General Meeting held with shorter notice on June 12, 2023 in accordance with the provisions of Section 62(1) (c) of the Companies Act, 2013.

The Offer for Sale has been authorised by the Selling Shareholders by their consent letter dated June 10, 2023 and the No. of Equity Shares offered are as follows:

Sr. No.	Name of the Selling Shareholders	No. of Equity Shares Offered
1.	Sanjay Kumar Pandey	Up to 66,800
2.	Satish Kumar Pandey	Up to 66,800
3.	Ragini Pandey	Up to 66,800
	<b>Total</b>	<b>Up to 2,00,400</b>

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

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of equity shares on the SME Platform of the BSE Limited. BSE Limited is the designated stock exchange.

### Prohibition by SEBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoter, Group Company and entities forming part of our Promoters Group, person in control of our Company from accessing the capital market or operating in the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority / court as on the date of this Draft 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 Promoters or Directors has been declared as Willful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on willful defaulters or fraudulent borrowers issued by the RBI.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters, the members of the Promoters Group and selling shareholders, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, in relation to the Company, to the extent in force and applicable, as on the date of this Draft Prospectus.

### Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and there has been no action initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Prospectus except as stated under the chapters titled “*Risk factors*”, “*Our Promoters and Promoters Group*”, “*Group Company*” and “*Outstanding Litigations and Material Developments*” beginning on page nos. 22, 120, 125 and 164 respectively, of this Draft Prospectus.

## Eligibility for the Issue

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue 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 does not exceed ten crores rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the BSE SME).

Each of the Selling Shareholders has, severally and not jointly, confirmed that it has held its respective portion of offered shares for a period of at least one year prior to the date of filing of this Draft Prospectus and that it is in compliance with the SEBI ICDR Regulations and are eligible for being offered in the Offer for sale.

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of SME platform of the BSE Limited.

- a. Our Company was incorporated on January 12, 1988 with the Registrar of Companies; Mumbai under the Companies Act, 1956 in India, hence is in existence for a minimum period of 2 years on the date of filing the prospectus with BSE.
- b. As on the date of this Draft Prospectus, our Company has a total paid up capital of ₹430.50 lakhs comprising 43,05,000 Equity Shares and the Post Issue Capital will be of ₹562.50 lakhs comprising 56,25,000 Equity Shares which is below ₹25 crores.
- c. As per Restated Financial Statements, the net tangible assets are ₹320.69 Lakhs as at March 31, 2023, which is more than ₹150.00 Lakhs as on the date of filing of this Draft Prospectus.
- d. Our Company has a track record of three years as on date of filing of this Draft Prospectus.
- e. Our Company has positive cash accruals (Earnings before depreciation and tax) in preceding financial years. As per Restated Financial Statements, the cash accruals accounted for March 31, 2023, March 31, 2022 and March 31, 2021 was ₹ 387.82 Lakhs, ₹121.95 Lakhs and ₹64.42 Lakhs respectively.
- f. As per Restated Financial Statements, the Net-worth (excluding revaluation reserves) of the Company is ₹320.69 lakhs as at March 31, 2023.
- g. Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR).
- h. There is no winding up petition against the company, which has been admitted by a Court of competent jurisdiction or a liquidator has not been appointed.
- i. There has been no change in the Promoters of the Company in the preceding one year from date of filing application to BSE for listing on SME Platform of BSE.
- j. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant Company.
- k. Our Company has a website: [www.sunitatools.com](http://www.sunitatools.com)

## Other Disclosures:

- i. We have disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company (ies), group Company (ies), companies promoted by the promoters/promoting Company (ies) of the applicant Company in the Draft Prospectus.
- ii. There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting Company(ies), Company(ies), companies promoted by the promoters/promoting Company(ies) during the past three years.

- iii. We have Disclosed the details of the applicant, Promoters/Promoting Company(ies), Group Company(ies), companies promoted by the promoters/promoting Company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter “*Outstanding Litigation & Material Developments*” on page no. 164 of this Draft Prospectus.
- iv. 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 Litigation & Material Developments*” on page no. 164 of this Draft Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange.
- Our Company has entered into an agreement dated June 02, 2023 with NSDL and agreement dated June 02, 2023 with CDSL for dematerialisation of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- All Equity Shares held by our Promoters & members of our Promoter Group will be dematerialized before filing our Prospectus with RoC
- Our Company has made firm arrangements of finance through verifiable means towards seventy five per cent of the stated means of finance for funding from the fresh issue proceeds, excluding the amount to be raised through the proposed public issue or through existing identifiable internal accruals. For details, please refer the chapter “*Objects of the Issue*” on page no. 62 of this Draft Prospectus.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue 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 Promoters, selling shareholders, members of our Promoters Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoters or Directors are promoters or directors of any other companies which are debarred from accessing the capital markets by the SEBI.
- (c) Neither our Company nor our Promoters or Directors is a willful defaulter or fraudulent borrower.
- (d) None of our Promoters or Directors is a fugitive economic offender.

We further confirm that:

1. In accordance with Regulation 246 the SEBI ICDR Regulations, the 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.
2. In accordance with Regulation 260 of the SEBI ICDR Regulations, this issue has been one hundred percent (100%) underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details, pertaining to said underwriting please see “General Information” beginning on page 43 of this Draft Prospectus.

3. In accordance with Regulation 268 of the SEBI ICDR Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within four (4) days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of fourth day, be liable to unblock such application money with interest as prescribed under the SEBI ICDR Regulations, the Companies Act 2013 and applicable laws.

### **COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS**

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI ICDR Regulations. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI ICDR Regulations, with respect to the Issue.

### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER ARYAMAN FINANCIAL SERVICES 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 ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, ARYAMAN FINANCIAL SERVICES LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY 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 ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.**

### **Note:**

All legal requirements pertaining to the Issue will be complied with at the time of registration of this Draft Prospectus with the RoC in terms of section 26 and 30 of the Companies Act, 2013.

### **Disclaimer from our Company, the Selling Shareholders, Directors and the Lead Manager**

Our Company, the Selling Shareholders, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement

All information shall be made available by our Company, the Selling Shareholders (to the extent that the information pertain to themselves and their respective portion of the Offered Shares) and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Applying Centers or elsewhere.

None among our Company or the Selling Shareholders is liable for any failure in (i) uploading the Applications due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Applications Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism Applying will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not Offer, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer in respect of Jurisdiction**

Any dispute arising out of this issue will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

This Issue is being made in India to persons resident in India including Indian nationals resident in India (who are not minors, except through their legal guardian), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft 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.

#### **Disclaimer Clause of the BSE**

As required, a copy of the Draft Prospectus shall be submitted to the SME Platform of BSE Limited. The Disclaimer Clause as intimated by the SME Platform of BSE Limited to us, post scrutiny of the Draft 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 Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

### **Listing**

Applications have been made to SME Platform of BSE Limited for obtaining permission for listing of the Equity Shares being issued in the issue on its SME Platform of BSE Limited after the allotment in the Issue. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the BSE SME, the Company shall unblock, without interest, all moneys received from the applicants in pursuance of the Prospectus in accordance with applicable law and the Selling Shareholders will be liable to reimburse our Company for any such repayment of monies, on its behalf, with respect to their Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds will be reimbursed by such Selling Shareholder in proportion to its respective portion of the Offered Shares. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such delay has been caused by any act or omission solely and directly attributable to such Selling Shareholder and in any other case the Company shall take on the responsibility to pay interest. It is clarified that such liability of a Selling Shareholder shall be limited to the extent of its respective portion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within 6 Working Days of the Issue Closing Date or within such other period as may be prescribed. The Selling Shareholders confirm that it shall extend complete co-operation required by our Company and the LM for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchange within six Working Days from the Offer Closing Date, or within such other period as may be prescribed. If our Company does not Allot the Equity Shares within six Working Days from the Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be unblocked, without interest, failing which interest shall be due to be paid to the Applicants at the rate of 15% per annum for the delayed period, subject to applicable law.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE Limited.

### Price Information of past issues handled by the Book Running Lead Manager

Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Aryaman Financial Services Limited

Sr. No.	Issue Name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing	
1.	HMA Agro Industries Limited	480.00	585.00	04-07-23	615	NA	NA	NA	NA	NA	NA
2.	CFF Fluid Control Limited	85.80	165.00	12-06-23	175	61.79%	4.26%	NA	NA	NA	NA
3.	Command Polymers Limited	7.08	28.00	29-03-23	26.75	(3.75%)	5.44%	(4.64%)	9.41%	NA	NA
4.	Rex Sealing and Packing Industries Limited	8.08	135.00	12-01-23	137.00	15.52%	1.21%	5.04%	0.73%	(24.59%)	9.44%
5.	Abans Holding Limited	345.60	270.00	23-12-22	270.00	(0.35%)	1.30%	(12.35%)	(3.21%)	7.63%	6.15%
6.	EP Biocomposites Limited	6.35	126.00	13-09-22	160.25	100.40%	(5.51%)	36.51%	2.57%	71.43%	(2.37%)
7.	Rhetan TMT Limited	56.00	70.00	05-09-22	70.00	75.50%	(1.99%)	306.93%	6.11%	632.86%	0.95%
8.	Modi's Navnirman Limited	22.68	180.00	06-07-22	189.00	75.00%	8.63%	85.83%	8.03%	204.67% <sup>(4)</sup>	13.80%
9.	SP Refractories Limited	4.92	90.00	22-03-22	90.20	(11.11%)	0.45%	(8.89%)	(11.35%)	(11.11%)	1.24%
10.	Fabino Life Sciences Limited	3.24	36.00	13-01-22	38.45	(1.53%)	(5.03%)	(27.78%)	(4.73%)	(33.33%)	(12.00%)

## Summary Statement of Disclosure

Financial Year	Total no. of IPOs	Total Funds Raised (₹ in Cr.)	Nos. of IPOs trading at discount - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at discount -180 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium - 180 <sup>th</sup> calendar day from listing day		
			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%
2023-24	2	565.80	0	0	0	1	0	0	0	0	0	0	0	0
2022-23	6	445.79	0	0	2	3	0	1	0	0	1	3	0	1
2021-22	7	74.60	0	0	2	0	1	4	0	1	1	1	1	3

### Notes:

(1) Since the listing date of HMA Agro Industries Limited was on July 04, 2023, information related to closing price and benchmark index as on the 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> calendar day from the listing date is not applicable.

(2) Since the listing date of CFF Fluid Control Limited was on June 12, 2023, information related to closing price and benchmark index as on the 90<sup>th</sup> and 180<sup>th</sup> calendar day from the listing date is not applicable.

(3) Since the listing date of Command Polymers Limited was on March 29, 2023, information related to closing price and benchmark index as on the 180<sup>th</sup> calendar day from the listing date is not applicable.

(4) As on the 180<sup>th</sup> calendar day from the listing day, the price of Modi's Navnirman Limited would have been ₹ 548.40, considering the corporate announcement i.e Bonus issue in the ratio 3:1. Actual price as on 180<sup>th</sup> calendar day is ₹137.10.

(5) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.

(6) In the event any day falls on a holiday, the price/index of the immediate preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day.

(7) Source: [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) BSE Sensex and Nifty Fifty as the Benchmark Indices.

### **Track record of past issues handled by the Lead Manager**

For details regarding the track record of the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please see the website of Aryaman Financial Services Limited – [www.afsl.co.in](http://www.afsl.co.in).

### **Stock Market Data of Equity Shares**

This being an initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

### **Consents**

Consents in writing of: (a) The Directors, the Chief Financial Officer, Company Secretary & Compliance Officer and the Statutory Auditor; and (b) the Lead Manager, Registrar to the Issue, the Legal Advisor to the Issue, Banker to the Company\*, Banker to the Issue\*, Market Maker\* and Underwriters\* to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Section 26 and 28 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\*The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, **M/s K M A & Co.**, Chartered Accountants, have provided their written consent to the inclusion of their reports dated June 15, 2023 on Restated Financial Statements and to the inclusion of their reports dated June 15, 2023 on Statement of Tax Benefits, which may be available to the Company and its shareholders, included in this Draft 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 Draft Prospectus.

### **Expert Opinion**

Except the report of the Statutory Auditor on statement of tax benefits and report on Restated Financial Statements for the period ended June 15, 2023 and financial years ended March 31, 2023, 2022 and 2021 as included in this Draft Prospectus, our Company has not obtained any expert opinion.

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

### **Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MoU for Issue Management entered into among the Lead Manager and our Company dated July 12, 2023, the Underwriting Agreement dated [●] entered into among the Underwriter, Selling Shareholders and our Company and the Market Making Agreement dated [●] entered into among the Market Maker, Lead Manager and our Company. All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

### **CAPITAL ISSUE DURING THE LAST FIVE YEARS**

#### **Previous Public and Rights Issues**

We have not made any rights to the public and public issues in the past, and we are an “Unlisted Company” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

#### **Previous Issues of Equity Shares otherwise than for Cash**

Except as stated in the chapter titled “Capital Structure” beginning on page no. 52 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

### **Commission and Brokerage Paid on Previous Issues of our Equity Shares**

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 by Our Company and listed group companies, listed subsidiaries or listed associate entities during the previous three years**

None of our Group Company/ Subsidiaries / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years.

### **Performance vis-à-Vis Objects**

#### **Issuer Company**

Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

#### **Listed Subsidiaries / Promoter Company**

None of our Subsidiaries / Promoters is listed on any Stock Exchange and not made any rights and public issues in the past five (5) years.

### **Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

### **Disposal of Investor Grievances**

#### **Mechanism for Redressal of Investor Grievances**

The Company and the Selling Shareholders has appointed Kfin Technologies Limited as the Registrar to the Issue, 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 Issue 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 coordinating with the Registrar to the Issue 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 Issue 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 Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Selling Shareholders, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

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.

Further, Our Board by a resolution on June 17, 2023 constituted a Stakeholders Relationship Committee. The composition of the Stakeholders Relationship Committee is as follows:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Diksha Maheshwari	Non-Executive -Independent Director	Chairperson
Uma Pandey	Non-Executive Director	Member
Sanjay Kumar Pandey	Chairperson and Whole-time Director	Member

For further details, please see the chapter titled “*Our Management*” beginning on page no.106 of this Draft Prospectus.

Our Company has also appointed Rupal Dedhia, as the Compliance Officer for the Issue and he may be contacted at the Registered Office of our Company.

**Rupal Dedhia**

**Registered Office:** Survey No. 66, Plot No. A,  
Valiv, Sativali Road, Vasai East,  
Palghar- 401208

**Tel No:** +91 9136019995

**Email:** [info@sunitatools.com](mailto:info@sunitatools.com)

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

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager in case of any pre- Issue or post- Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts and refund orders.

**Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

**Disposal Of Investor Grievances By Listed Companies Under The Same Management**

For details of Investor Grievances by Listed Companies under the same Management, see the chapter “Our Group Company” beginning on page no. 125 of this Draft Prospectus.

**Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

Our Company has not applied to SEBI for any exemption from complying with any provisions of the securities laws.

**Other confirmations**

Any person connected with the Issue shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Issue.

## SECTION X – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued are subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum and Articles of Association, SEBI LODR Regulations, the terms of this Draft Prospectus, Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public Issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

### THE ISSUE

The Issue consists of a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Issue shall be shared amongst our Company and the Selling Shareholders in the manner specified in “Objects of the Offer” on page 62 of this Draft Prospectus.

### RANKING OF EQUITY SHARES

The Equity Shares being issued and transferred shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects including dividend with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please see the section titled “Main Provisions of Articles of Association” on page no. 214 of this Draft Prospectus.

### MODE OF PAYMENT OF DIVIDEND

Our Company shall pay dividend, if declared, to our Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our MoA and the AoA, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared, after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Applicants who have been Allotted Equity Shares in the Issue, for the entire year, in accordance with applicable law. For further details, in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” beginning on page nos. 127 and 214 of this Draft Prospectus.

## FACE VALUE AND ISSUE PRICE

The Equity Shares having a face value of ₹ 10 each are being issued in terms of this Draft Prospectus at the price of ₹ [●] per Equity Share. The Issue Price is determined by our Company and Selling Shareholders, in consultation with the Lead Manager and is justified under the chapter titled "*Basis for Issue Price*" beginning on page no. 67 of this Draft Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

## RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to receive Annual Reports and notices to members;
- ✓ Right to attend general meetings and exercise voting rights, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- ✓ Right to receive offer for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- ✓ Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- ✓ Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please see the section titled "*Main Provisions of Articles of Association*" beginning on page no. 214 of this Draft Prospectus.

## ALLOTMENT ONLY IN DEMATERIALISED FORM

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

- 1) Tripartite agreement dated June 02, 2023 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.
- 2) Tripartite agreement dated June 02, 2023 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per application.

### **JOINT HOLDERS**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **MINIMUM NUMBER OF ALLOTTEES**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within four (4) working days of closure of issue.

### **JURISDICTION**

The courts of Mumbai, India will have exclusive jurisdiction in relation to this Issue.

### **NOMINATION FACILITY TO INVESTOR**

In accordance with Section 72(1) & 72(2) 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(3) 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 accordance to Section 72(4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- ✓ 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 within a period of 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 will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

### **WITHDRAWAL OF THE ISSUE**

Our Company and the Selling Shareholders in consultation with the Lead Manager, reserve the right not to proceed with the Fresh Issue and the Selling Shareholders reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of Offered Shares, 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 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 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 and the Escrow Collection Bank to release the Application Amounts to the Anchor Investors, if

applicable, within one 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, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is filed with the ROC. If our Company and the Selling Shareholders, in consultation with the Lead Manager withdraw the Issue after the Application/ Issue Closing Date and thereafter determine that they will proceed with public Issue of the Equity Shares, our Company shall file a fresh Draft Prospectus with the Stock Exchanges.

## ISSUE PROGRAMME

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds <sup>(1)</sup>	[●]
Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

<sup>(1)</sup>In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchange Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. The Applicant shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

In terms of Regulation 265 of SEBI ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Prospectus with the Registrar of Companies.

In terms of Regulation 266 (3) of SEBI ICDR Regulations, in case of force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the provisions of Regulation 266(1).

The above timetable is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. Each of the Promoters confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Issued Shares for completion of the necessary formalities for

listing and commencement of trading of the Equity Shares at the Stock Exchanges within Six Working Days from the Issue Closing Date or such other period as may be prescribed by SEBI.

Applications and any revision to the same shall be accepted only between 10.00 a.m. and 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Applications and any revision to the same shall be accepted between 10.00 a.m. and 3.00 p.m. (IST) or such extended time as permitted by the Stock Exchanges, in case of Applications by Retail Individual Applicants after taking into account the total number of applications received up to the closure of timings and reported by the Lead Manager to the Stock Exchanges. It is clarified that Applications not uploaded on the electronic system would be rejected. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public offerings, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Business Days. Neither our Company nor the Selling Shareholders nor the Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

The above timetable is indicative and does not constitute any obligation or liability on our Company, our Promoters, the Selling Shareholders or the Lead Managers. Whilst our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within Six (6) Working Days from the Issue Closing Date or such period as may be prescribed, with reasonable support and co-operation of the Promoters, as may be required in respect of its respective portion of the offered Shares, the timetable may change due to various factors, such as extension of the Issue Period by our Board, as applicable, in consultation with the Lead Manager. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Promoters confirms that it shall extend such reasonable support and co-operation in relation to its respective portion of the Offered Shares for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within Six Working Days from the Offer Closing Date or such other period as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Issue, the Lead Managers will submit reports 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. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. SEBI is in the process of streamlining and reducing the post Offer timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Prospectus/prospectus may result in changes to the above-mentioned timelines. Further, the Issue procedure is subject to change basis any revised SEBI circulars to this effect.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Issue closure time from the Issue Opening Date till the Issue Closing Date by obtaining the same from the Stock Exchange. The SCSB's shall unblock such applications by the closing hours of the Working Day.

**It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

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

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

### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten per Regulation 260(1) of SEBI ICDR Regulations.

As per Section 39 of the Companies Act, 2013, if the “stated minimum amount” has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Issue through the Issue Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within 15 days from the closure of the issue, if there is a delay beyond such time, 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 as prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and applicable laws.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within four (4) working days of closure of Offer.

In accordance with Regulation 260 (1) 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 this Draft Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000 (Rupees One Lakh) per application.

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

### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

### **RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

The lock-in of the pre- Issue capital of our Company as provided in “*Capital Structure*” beginning on page no. 52 of this Draft Prospectus and except as provided in our Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, see “*Main Provisions of Articles of Association*” beginning on page no. 214 of this Draft Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company, the Selling Shareholders and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, the Selling Shareholders and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

## **NEW FINANCIAL INSTRUMENTS**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue.

## **AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## **MIGRATION TO MAIN BOARD**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the BSE SME for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI ICDR Regulations.

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the mainboard of BSE from the BSE SME on a later date subject to the following:

1. If the paid-up capital of the Company is likely to increase above ₹25 crores by virtue of any further offer of capital by way of rights, preferential offer, bonus offer etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.
2. If the paid-up capital of the Company is more than ₹10 crores but below ₹25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the BSE SME 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 BSE SME. For further details of the market making arrangement please refer the chapter titled "General Information" beginning on page 43 of this Draft Prospectus.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of the Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our post issue face value capital does not exceed ten crore rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on page nos. 181 and 191 respectively, of this Draft Prospectus.

### Issue Structure

Initial Public Offer of upto 15,20,400 Equity Shares for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹[●] per Equity Share), aggregating up to ₹ [●] Lakhs consisting of a Fresh Issue of upto 13,20,000 Equity Shares aggregating up to ₹ [●] Lakhs by our Company and an Offer for Sale of 2,00,400 Equity Shares aggregating up to ₹ [●] Lakhs by the Promoter Selling Shareholders.

The Issue comprises a reservation of upto 78,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of upto 14,42,400 Equity Shares of ₹ 10 each (“the Net Issue”). The Issue and the Net Issue will constitute 27.03% and 25.64%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Fixed Price Process.

Particulars	Net Issue to Public	Market Maker Reservation Portion
Number of Equity Shares available for allocation <sup>(1)</sup>	Upto 14,42,400 Equity Shares	Upto 78,000 Equity Shares
Percentage of Issue Size available for Allocation	94.87% of the Issue Size	5.13% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. <sup>(1)</sup>  For further details please refer section explaining the Basis of Allotment in the GID.	Firm Allotment
Mode of Application	All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA).	
Mode of Allotment	Compulsorily in dematerialised form.	
Minimum Application Size	<i>For Other than Retail Individual Investors:</i>  Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000.  <i>For Retail Individuals Investors:</i>  [●] Equity Shares	Upto 78,000 Equity Shares
Maximum Application Size	<i>For Other than Retail Individual Investors:</i>  Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed 14,42,400 Equity Shares, subject to applicable limits to the Applicant.  <i>For Retail Individuals Investors:</i>  Such number of Equity Shares in multiples of	Upto 78,000 Equity Shares

Particulars	Net Issue to Public	Market Maker Reservation Portion
	[●] Equity Shares such that the application value does not exceed ₹ 2,00,000.	
Trading Lot	[●] Equity Shares	[●] Equity Shares. However the Market Maker may buy odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Who can Apply <sup>(2)</sup>	<p><i>For Other than Retail Individual Investors:</i></p> <p>Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions societies and trusts.</p> <p><i>For Retail Individuals Investors:</i></p> <p>Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs.</p>	Market Maker
Terms of Payment <sup>(3)</sup>	The entire Application Amount will be payable at the time of submission of the Application Form.	
Application Lot Size	[●] Equity Share and in multiples of [●] Equity Shares thereafter	

<sup>(1)</sup> Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253(2) of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum fifty per cent to retail individual investors; and
- b) Remaining to:
  - (i) individual applicants other than retail individual investors; and
  - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

Explanation - For the purpose of sub-regulation (2), if the retail individual investor category is entitled to more than fifty per cent of the Issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.”

<sup>2)</sup> In case of joint Applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

<sup>(3)</sup> In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant (including retail applicants applying through UPI mechanism) that are specified in the Application Form. SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.

#### ISSUE PROGRAMME

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form. On the Issue Closing Date applications will be accepted only between 10.00 a.m. to 4.00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1.00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public Issues, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday)

### Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the “Circular”) standardized the lot size for Initial Public Issue proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

Issue Price (in ₹)	Lot Size (No. of shares)
Upto 14	10,000
More than 14 upto 18	8,000
More than 18 upto 25	6,000
More than 25 upto 35	4,000
More than 35 upto 50	3,000
More than 50 upto 70	2,000
More than 70 upto 90	1,600
More than 90 upto 120	1,200
More than 120 upto 150	1,000
More than 150 upto 180	800
More than 180 upto 250	600
More than 250 upto 350	400
More than 350 upto 500	300
More than 500 upto 600	240
More than 600 upto 750	200
More than 750 upto 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Offer stage the Registrar to Issue in consultation with Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/ allotment stage, facilitating secondary market trading. At the Initial Public Offering stage if the 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. For example: if the proposed price band is at 24-28 than the Lot size shall be 4,000 shares.

## ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues (“GID”) prepared and issued in accordance with the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (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 Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

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 Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. The final reduced timeline of T+3 days be made effective using the UPI Mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by 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, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on/or after May 01, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular, are deemed to form part of the Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual applicants in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. If the Issue is made under UPI Phase III, the same will be advertised in all editions of the English national daily newspaper, all editions of the Hindi national daily newspaper, regional edition of the regional daily newspaper on or prior to the Issue Opening Date and such advertisement shall also be made available to the Stock Exchange for the purpose of uploading on their website. Subsequently, pursuant to SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Offer Closing Date, the Applicant shall be compensated as per the UPI Circulars for the entire duration of delay exceeding Four (4) Working Days from the Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Our Company, the Selling Shareholders and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document and is not liable for any amendment, modification or change in the applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Application are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Further, the Company, the Selling Shareholders and the Lead Manager are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

### **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, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the 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 up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Investor would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public Issue closure to listing would continue to be six working days.

**Phase II:** This phase commenced on completion of Phase I, i.e., with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public offers, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public Issue closure to listing would continue to be six working days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public Issue closure to listing is proposed to be reduced to three working days.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful applicants to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – issue LM will be required to compensate the concerned investor.

The Issue will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Issue Opening Date. All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company and the Selling Shareholders will be required to appoint one or more of the SCSBs as a Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Investors.

The processing fees may be released to the remitter banks (SCSBs) only after an application is made by the SCSBs to the LM with a copy to the Registrar, and such application shall be made only after (i) unblocking of application

amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB in accordance with April 20, 2022 Circular.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager.

### **FIXED PRICE ISSUE PROCEDURE**

The Issue is being made in compliance with the provisions of Chapter IX of SEBI ICDR Regulations through a Fixed Price Process wherein 50% of the Net Issue is allocated for Retail Individual Investors and the balance shall be issued to individual applicants other than Retail Individual Investors and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Investors. However, if the aggregate demand from the Retail Individual Investors is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion issued to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Investors category is entitled to more than 50% on proportionate basis, the Retail Individual Investors shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

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

**Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.**

### **AVAILABILITY OF DRAFT PROSPECTUS, PROSPECTUS AND APPLICATION FORMS**

Copies of the Application Form and the Abridged Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. RIIs are mandatorily required to use the UPI Mechanism for submitting their Applications to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their Applications directly to SCSBs.

RIIs applying using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Application Form and the Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Applicants (including Applicants using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. RIIs using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI

ASBA Applicants shall ensure that the Applications are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Applying Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIIs using UPI Mechanism, may submit their ASBA Forms,

including details of their UPI IDs, with the Syndicate, Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Application Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Applicants must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Application

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour <sup>(1)</sup>
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents and Eligible NRIs, FIIs, FVCIs, etc. applying on a repatriation basis	Blue

<sup>(1)</sup> Excluding electronic Application Form

Designated Intermediaries (other than SCSBs) after accepting 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 Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

For RIIs using UPI mechanism, the Stock Exchanges shall share the Application details (including UPI ID) with Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Application entered in the Stock Exchange bidding platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the Banker 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 Lead Manager shall also be required to obtain the audit trail from the Sponsor Banks and the Banker to the Issue for Analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the website of the Stock Exchange shall bear a system generated unique application number. Applicants 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.

Pursuant to SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015, an Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”):

1. An SCSB, with whom the bank account to be blocked, is maintained
2. A syndicate member (or sub-syndicate member)
3. A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
4. A Depository Participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5. A Registrar to an Issue and share transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

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 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 SCSBs:</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
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	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 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 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 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 Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

## ELECTRONIC REGISTRATION OF APPLICATIONS

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Issue on a regular basis before the closure of the Issue.

On the Issue Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchanges and as disclosed in the Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next working day following the Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange(s) send the Application information to the Registrar to the Issue for further processing

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or 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) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

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

## WHO CAN APPLY?

In addition to the category of Applicants set forth in the General Information Document, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

1. Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
6. Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
7. FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
8. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
9. Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-Institutional investor's category;
10. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
11. Foreign Venture Capital Investors registered with the SEBI;
12. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
13. Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
14. Insurance Companies registered with Insurance Regulatory and Development Authority, India;
15. Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
16. Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
17. National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
18. Insurance funds set up and managed by army, navy or air force of the Union of India;
19. Multilateral and bilateral development financial institution;

20. Eligible QFIs;
21. Insurance funds set up and managed by army, navy or air force of the Union of India;
22. Insurance funds set up and managed by the Department of Posts, India;
23. Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.
24. Applications not to be made by:
  - a. Minors (except through their Guardians)
  - b. Partnership firms or their nominations
  - c. Foreign Nationals (except NRIs)
  - d. Overseas Corporate Bodies

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTER, PROMOTERS GROUP AND PERSONS RELATED TO PROMOTER/PROMOTERS GROUP**

The Lead Manager shall not be allowed to purchase Equity Shares in this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non Institutional Portion as may be applicable to such Applicants. Such Applying and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the LM or any associates of the LM, except Mutual Funds sponsored by entities which are associates of the LM or insurance companies promoted by entities which are associate of LM or AIFs sponsored by the entities which are associate of the LM or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the LM nor; (ii) any “person related to the Promoters and members of the Promoters Group” shall apply in the Issue under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a “person related to the Promoters and members of the Promoters Group”: (a) rights under a shareholders’ agreement or voting agreement entered into with the Promoters and members of the Promoters Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Our Promoters and members of our Promoters Group will not participate in the Issue.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **For Retail Individual Investors**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹2,00,000.

##### **For Other than Retail Individual Investors (Non-Institutional Investors and QIBs)**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of [●] 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 Applicant 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 Investors, 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.

**Applicants 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 Applicants. The Company, Selling Shareholders and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft 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 MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to reject any Application, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with the SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that such Applications clearly indicate the scheme concerned for which the Application is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

#### **APPLICATION BY HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

#### **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Application Amount, at the time of the submission of the Application Form. However, NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Participation by Eligible NRIs in the Issue shall be subject to the FEMA Non -Debt Instruments Rules. Only Applications accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant.

Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

For further details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page no. 213 of this Draft Prospectus.

#### **APPLICATION BY FPIs AND FIIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid -up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non -Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid -up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

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 Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for Issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments 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.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Issue is advised to use the Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure “MIM Structure”) provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected.

Participation of FPIs in the Issue shall be subject to the FEMA Rules

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS (VCF) AND FOREIGN VENTURE CAPITAL INVESTORS (FVCI)**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I and II AIFs cannot invest more than 25% of their investible funds in one Investee Company. A category III AIF cannot invest more than 10% of their investible funds in one Investee Company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules

**Our Company, Selling Shareholders or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**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.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications 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 Application Form. Failing which, the Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

## APPLICATIONS BY INSURANCE COMPANIES

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“IRDAI Investment Regulations”) are set forth below:

- a. Equity shares of a company: the lower of 10%\* of the investee company’s outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a 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 a 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 respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, 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 points (i), (ii) or (iii) 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 ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹2,500,000 million.*

Insurer companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (“**IRDA Investment Regulations**”).

## APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs.25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Application Form. Failing this, the Company in consultation with the Lead Manager reserves the right to reject any application, without assigning any reason thereof.

## APPLICATIONS BY BANKING COMPANIES

In case of Applications 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 Application Form, failing which our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (“Banking Regulation Act”), and the Reserve Bank of India (“Financial Services provided by Banks”) Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks ‘interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company’s paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions,

2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

#### **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager, reserves the right to reject any Application without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **APPLICATIONS BY SCSBS**

SCSBs participating in the Issue is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. 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.

The information set out above is given for the benefit of the Applicants. Our Company, Selling Shareholders and the LM are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in this Draft Prospectus and the Prospectus

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of 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 ₹ 250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹ 250 million (subject to applicable laws), 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 Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company in consultation with the LM, may deem fit.

***The above information is given for the benefit of the Applicants. Our Company, Selling Shareholders and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure any single Application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus or the Prospectus***

**In accordance with RBI regulations, OCBs cannot participate in the Issue.**

#### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA)**

Applicants In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the 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 Applicants are advised to make their independent investigations and to ensure that the ASBA 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 Application Form, please refer the above-mentioned SEBI link.

## INFORMATION FOR THE APPLICANTS

In addition to the instructions provided to the Applicants in the *General Information Document for Investing in Public Issues*, Applicants are requested to note the following additional information in relation to the Issue.

1. The Issue Period shall be for a minimum of three Working Days and shall not exceed ten working days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding ten Working Days
2. The relevant Designated Intermediary will enter each Application into the electronic applying system as a separate Application and generate an acknowledgement slip (“**Acknowledgement Slip**”), for each price and demand option and give the same to the Applicant. Therefore, an Applicant can receive up to three Acknowledgement Slips for each Application Form. It is the Applicant’s responsibility to obtain the TRS from the relevant Designated Intermediary. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.
3. In relation to electronic registration of Applications, the permission given by the Stock Exchanges to use their network and software of the electronic applying 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 Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
4. In the event of an upward revision in the Price, Retail Individual Applicants could either (i) revise their Application or (ii) shall make additional payment based on the revised Price (such that the total amount i.e., original Application Amount plus additional payment does not exceed ₹ 200,000. The revised Applications must be submitted to the same Designated Intermediary to whom the original Application was submitted. If the total amount (i.e., the original Application Amount plus additional payment) exceeds ₹ 200,000, the Applicant will be considered for allocation under the Non-Institutional Portion. If, however, the Retail Individual Applicant does not either revise the Application or make additional payment the number of Equity Shares applied for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Applicant and the Retail Individual Applicant is deemed to have approved such revised Application.
5. In the event of a downward revision in the Price, Retail Individual Applicant may revise their Application; otherwise, the excess amount paid at the time of Application would be unblocked after Allotment is finalised.
6. Any revision of the Application shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Application.

**The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.**

## GENERAL INSTRUCTIONS

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Application(s) or lower the size of their Application(s) (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application(s) during the Issue Period and withdraw their Application(s) until Issue Closing Date

**Do's:**

- 1) Check if you are eligible to apply as per the terms of this Draft Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their Applications through the ASBA process only;
- 2) Ensure that you have apply within the Price Band
- 3) Read all the instructions carefully and complete the Application Form in the prescribed form;
- 4) Ensure that you have mentioned the correct ASBA Account number if you are not an RII applying using the UPI Mechanism in the Application Form and if you are an RII using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle) in the Application Form;
- 5) Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except in case of electronic Applications) within the prescribed time. Retail Individual Applicants using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;
- 6) RIIs Applying in the Issue shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for RIIs 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;
- 7) Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries.
- 8) In case of joint Applications, ensure that first applicant is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first applicant is included in the Application Form;
- 9) Ensure that you request for and receive a stamped acknowledgement counterfoil by specifying the application number for all your Applications options as proof of registration of the Application Form for all your Applications options from the concerned Designated Intermediary;
- 10) If the first Applicants is not the ASBA Account holder (or the UPI-linked bank account holder, as the case may be), ensure that the Application Form is signed by the ASBA Account holder (or the UPI-linked bank account holder, as the case may be);
- 11) Ensure that the name(s) given in the 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 Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Applicant is included in the Application Forms. PAN of the First Applicant is required to be specified in case of joint Applications;
- 12) Ensure that you submit the revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 13) Retail Individual Investors not using the UPI Mechanism, should submit their Application Form directly with SCSBs and not with any other Designated Intermediary;
- 14) Except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications 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 Applicants 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) 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;
- 16) Ensure that the correct investor category and the investor status is indicated in the Application Form;
- 17) Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
- 18) Ensure that Applications submitted by any person outside India is in compliance with applicable foreign and Indian laws;
- 19) Application by Eligible NRIs for a Amount of less than ₹ 2,00,000 would be considered under the Retail Category for the purposes of allocation and Applications for a Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Category for allocation in the Issue
- 20) Since the allotment will be in dematerialised form only, ensure that the Applicant’s depository account is active, the correct DP ID, Client ID , PAN and UPI ID, if applicable, are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID , 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;
- 21) In case of ASBA Applicants (other than Retail Individual Applicants using UPI Mechanism), ensure that while Applying through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Applying Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
- 22) 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 Issue Closing Date;
- 23) 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 mobile application and the UPI handle being used for making the application in the Issue is also appearing in the “list of mobile applications for using UPI in public issues” displayed on the SEBI website
- 24) Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application. Application, in case of RIIs submitting their Applications and participating in the Issue through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Issue Amount and subsequent debit of funds in case of Allotment;
- 25) Retail Individual Applicants using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Applicant shall be deemed to have verified the attachment containing the application details of the Retail Individual Applicant in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
- 26) However, Applications received from FPIs bearing the same PAN shall not be treated as multiple Applications in the event such FPIs utilise the MIM Structure and such Applications have been made with different beneficiary account numbers, Client IDs and DP IDs;

- 27) FPIs making MIM Applications using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Applications 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 Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Applications shall be rejected;
- 28) Retail Individual Applicants who wish to revise their Applications using the UPI Mechanism should submit the revised Applications with the Designated Intermediaries, pursuant to which RIIs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount in the RII's ASBA Account and
- 29) Ensure that the Demographic Details are updated, true and correct in all respects

The Application Form was liable to be rejected if the above instructions, as applicable, were 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 was liable to be rejected.

**Don'ts:**

- 1) Do not apply for lower than the minimum Application size;
- 2) Do not submit a Application using UPI ID, if you are not a RII;
- 3) Do not apply for an Amount exceeding ₹ 2, 00,000 (for Applications by Retail Individual Applicants).
- 4) Do not pay the Application Amount in cheques, demand drafts or by cash, money order or postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
- 5) Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- 6) Do not Apply at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- 7) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
- 8) Do not submit the Applications for an amount more than funds available in your ASBA account.
- 9) Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- 10) In case of ASBA Applicants, do not submit more than one ASBA Forms per ASBA Account;
- 11) If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
- 12) If you are a Retail Individual Applicant and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
- 13) Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
- 14) Do not Apply on a Application Form that does not have the stamp of the relevant Designated Intermediary;
- 15) Do not submit the General Index Register (GIR) number instead of the PAN;
- 16) 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;
- 17) Do not submit a Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

- 18) Do not Apply 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);
- 19) Do not submit a Application/revise a Issue Amount, with a price less than the Issue Price;
- 20) Do not submit your Apply after 3.00 pm on the Issue Closing Date;
- 21) If you are a QIB, do not submit your Application after 3:00 pm on the QIB Issue Closing Date;
- 22) Do not Apply on another ASBA Form after you have submitted a Application to any of the Designated Intermediaries;
- 23) Do not Apply for Equity Shares in excess of what is specified for each category;
- 24) Do not fill up the Application Form such that the Equity Shares Application for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Draft Prospectus;
- 25) Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account or in the case of RIIs Applying using the UPI Mechanism, in the UPI-linked bank account where funds for making the Application are available;
- 26) Do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Applicants. Retail Individual Applicant can revise their Applications during the Issue Period and withdraw their Applications on or before the Issue Closing Date;
- 27) Do not Apply, if you are an OCB;
- 28) Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by RIIs using the UPI Mechanism;
- 29) RIIs Applying through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;
- 30) Do not submit more than one Application Form for each UPI ID in case of RIIs Applying using the UPI Mechanism; and
- 31) Do not submit Applications to a Designated Intermediary at a location other than Specified Locations. If you are a Retail Individual Applicant and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs.;

The 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 our Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see “*General Information*” on page no. 43 on this Draft Prospectus

For helpline details of the LM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information - Lead Manager*” on page no. 43 on this Draft Prospectus

## **GROUND FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the “*General Information Document for Investing in Public Offers*” Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire Application Amount;

2. Applications which do not contain details of the Application Amount and the bank account or UPI ID (for RIBs using the UPI Mechanism) details in the Application Form;
3. Applications submitted on plain paper;
4. Applications submitted by Retail Individual Applicants using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Applications under the UPI linked Mechanism submitted by Retail Individual Applicants 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. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Application submitted without the signature of the First Applicant or sole Applicants;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Applicant;
9. ASBA Form by the RIIs by using third party bank accounts or using third party linked bank account UPI IDs;
10. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July29, 2010;
11. GIR number furnished instead of PAN;
12. Application by Retail Individual Applicants with Application Amount for a value of more than ₹200,000
13. Applications by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Applications accompanied by cheque(s), demand draft(s), stock invest, money order, postal order or cash;
15. Applications uploaded by QIBs after 4.00 p.m. on the QIB Issue Closing Date and by Non-Institutional Applicants uploaded after 4.00 p.m. on the Issue Closing Date, and Applications by Retail Individual Applicants uploaded after 5.00 p.m. on the Issue Closing Date, unless extended by the Stock Exchanges; and
16. Application by OCB.

For further details of grounds for technical rejections of Application Form, please refer to the General Information Document and UPI Circulars.

For details of instruction in relation to the Application Form, please refer to the General Information Document and UPI Circulars.

#### **ISSUANCE OF A CONFIRMATION OF ALLOCATION NOTE (“CAN”) AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Applicants 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 Applicant.

#### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

In addition to the instructions for completing the Application Form provided in the sub-section “*General Information Document for Investing in Public Offers – Applying in the Offer – Instructions for filing the Application Form / Application Form*” Applicants are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Applications must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

2. Applications must be made in a single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Prospectus and in the Application Form.
3. Applications on a repatriation basis shall be in the names of FIIs or FPIs but not in the names of minors, OCBs, firms or partnerships and foreign nationals.

#### **DESIGNATED DATE AND ALLOTMENT**

- (a) Our Company will ensure that the Allotment and credit to the successful Applicants' depository account will be completed within six Working Days, or such period as may be prescribed by SEBI, of the Issue Closing Date or such other period as may be prescribed.
- (b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
- (c) Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act, 2013 and the Depositories Act.

#### **NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER**

The authorised employees of the Designated Stock Exchange, along with the LM and the Registrar to the Issue, 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.

#### **DEPOSITORY ARRANGEMENTS**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated June 02, 2023 among NSDL, our Company and the Registrar to the Issue.
2. Agreement dated June 02, 2023 among CDSL, our Company and Registrar to the Issue.

#### **METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME**

Our Company will not make any Allotment in excess of the Equity Shares through the Issue Document except in case of over-subscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon over-subscription, an allotment of not more than one per cent of the Issue may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Applicants shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum Allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Applicants shall not be less than the minimum Application lot, subject to the availability of shares in Retail Individual Applicants portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis.

#### **PRE- ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one regional language daily newspaper, each with wide circulation. In the pre- Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

## **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING**

- a) Our Company, the Lead Manager, the Selling Shareholder and the Market Maker have entered into an Underwriting Agreement on [●].
- b) For terms of the Underwriting Agreement please see chapter titled “*General Information*” beginning no. 43 of this Draft Prospectus.
- c) We will file a copy of the Prospectus with the RoC in terms of Section 26, 28 and all other provision applicable as per Companies Act.

## **IMPERSONATION**

**Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:**

**“Any person who:**

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447”**

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least Rs 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than Rs 1 million 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 Rs 5 million or with both.

## **INVESTOR GRIEVANCE**

In case of any pre- Issue or post- Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled “*General Information*” on page no. 43 of this Draft Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Offer Closing Date, the Applicant shall be compensated as per the UPI Circulars by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

## **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

- 1) If our Company does not proceed with the Issue after the Issue Closing Date but before allotment, then the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 2) That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;

- 3) That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Issue Closing Date or such other period as may be prescribed;
- 4) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within the time prescribed under applicable law or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants at the rate of 15.00% per annum for the delayed period;
- 5) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;
- 6) That the Promoters' contribution in full, if applicable, shall be brought in advance before the Issue opens for subscription
- 7) That funds required for making refunds to unsuccessful applicants as per mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
- 8) No further Issue of Equity Shares shall be made until the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;
- 9) That if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh Issue document with the SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- 11) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time;
- 12) That adequate arrangements shall be made to collect all Application Forms from Applicants; and
- 13) That our Company shall not have recourse to the Issue Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges.

#### **UNDERTAKINGS BY SELLING SHAREHOLDERS**

Only statements and undertakings which are specifically "confirmed" or "undertaken" by the Selling Shareholders in this Draft Prospectus shall be deemed to be "statements and undertakings made by the Selling Shareholders". All other statements and/ or undertakings in this Draft Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholders. The Selling Shareholders severally and not jointly, specifically confirms and undertakes the following in respect of himself and the Equity Shares being offered by it pursuant to the Offer for Sale:

1. that the Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances and are eligible to be a part of the Offer for Sale, in accordance with Regulation 8 of the SEBI ICDR Regulations and shall continue to be in dematerialised form at the time of transfer.
2. that the portion of the offered Shares have been held by such Selling Shareholder for a minimum period of one year prior to the date of filing this Draft Prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations.
3. that they are the legal and beneficial owner of and have full title to the Offered Shares
4. that they shall provide all support and cooperation as may be reasonably requested by our Company and the LM to the extent such support and cooperation is in relation to its Offered Shares and in relation to necessary formalities for listing and commencement of trading at the Stock Exchanges, the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of the Offered Shares

5. that the Selling Shareholders specifically confirms that they shall not have any recourse to the proceeds of the Issue, until final listing and trading approvals have been received from the Stock Exchange
6. that they shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Applicants for making a Applications in the Issue, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Applications in the Issue, except as permitted under applicable law
7. that they shall not offer, lend, pledge, create lien, charge, encumber, sell, contract to sell or otherwise transfer or dispose of, directly or indirectly, any of the Equity Shares offered in the Issue
8. that they will provide such assistance as may be required by our Company and LM acting reasonably, in redressal of such investor grievances that pertain to the Equity Shares being offered pursuant to the Issue and statements specifically made or confirmed by it in relation to itself as a Selling Shareholders;
9. that they shall transfer the Offered Shares to an escrow demat account in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement; and
10. The Selling Shareholders has authorised the Compliance Officer of our Company and the Registrar to the Issue to redress any complaints received from Applicants in respect of their Offered Shares

#### **UTILIZATION OF NET PROCEEDS**

Our Company specifically confirms and declares that:

- 1) All monies received out of the Issue of specified securities to public shall be credited/ transferred to separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue referred to in sub-item(i) shall be disclosed and continue to be disclosed till the time any part of the Fresh Issue proceeds remains un-utilised under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised and;
- 3) Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under the 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 the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued, issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of 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 Takeover Regulations, (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 the SEBI/RBI

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Issue shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

As per the FDI policy, the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. For further details, see “*Issue Procedure*” on page 191 of this Prospectus. Each Applicant 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 Applicant shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Issue Period.

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and the applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act) under Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of Equity Shares in the United States.**

**The above information is given for the benefit of the Applicants. Our Company, the Selling Shareholder and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations, seek independent legal advice about its ability to participate in the issue and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## SECTION XI – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

### *Public Company*

2. The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013.

### *Share capital and variation of rights*

3. (i) The Authorised Share Capital of the Company shall be as laid down in Memorandum of Association of the Company.
- (ii) Subject to the provisions of the Companies Act 2013 and the applicable Rules made there under, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit.
4. (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:—
- (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (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.
5. (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.
- (ii) The company may issue new share certificates pursuant to consolidation or sub-division of share certificate(s) upon written request received from shareholder together with production and surrender of respective original share certificate(s). Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (iii) The provisions of Articles (5) and (6) shall mutatis mutandis apply to debentures of the company.
6. Except as required by law, no person shall be recognized 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 recognize (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.

7. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made there under.
  - (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
8. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
  - (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
10. 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.

#### ***Lien***

11. (i) The company shall have a first and paramount lien—
  - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
  - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

  - (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
  - (iii) The 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 monies called or payable at a fixed time in respect of such shares.
12. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made—
  - (a) unless a sum in respect of which the lien exists is presently payable; or
  - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
13. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
  - (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

14. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### *Calls on shares*

15. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

(iv) The option or right to make call on shares shall not be given to any person except with the sanction of the Company in General Meetings. That is, it may delegate power to make calls on shares subject to approval of the shareholder in a general meeting of the company.

16. 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 instalments.

17. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

18. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

19. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

20. The Board—

(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

(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 but shall not confer a right to dividend or to participate in profits.

### *Transfer of shares*

21. (i) The Company shall use a Common form of transfer. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.  
  
(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
22. The Board may, subject to the right of appeal conferred by section 58 decline to register—
  - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - (b) any transfer of shares on which the company has a lien.
23. The Board may decline to recognise any instrument of transfer unless—
  - (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
24. On giving not less than seven days' previous notice in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:  
  
Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
25. Subject to the provisions of Section 59 of Companies Act, 2013, the Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

### *Transmission of Shares*

26. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.  
  
(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
27. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
  - (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.  
(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

28. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
29. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### ***Forfeiture of Shares***

30. 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.
31. The notice aforesaid shall—
- (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
- (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.
32. 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.
33. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
34. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
- (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
35. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
- (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.

- (iii) The transferee shall thereupon be registered as the holder of the share
- (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.

36. 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.

#### *Alteration of Capital*

37. 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. The Authorised Share Capital shall be as per the clause 5 of Memorandum of Association of the company.

38. Subject to the provisions of section 61, the company may, by ordinary resolution,—

- (a) increase its authorised share capital by such amount as it thinks expedient.
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
- (d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
- (e) 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.

39. Where shares are converted into stock,—

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

40. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

- (a) its share capital;
- (b) any capital redemption reserve account; or
- (c) any share premium account.

### *Capitalisation of profits*

41. (i) The company in general meeting may, upon the recommendation of the Board resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, Securities Premium Accounts or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (iii) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (iv) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
42. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

### *Dematerialisation of Securities*

43. **For the purpose of this Article:-**
- "Beneficial Owner":** Beneficial Owner shall have the meaning assigned thereto in section 2(1)(a) of the Depositories Act, 1996.
- "Depositories Act":** Depositories Act shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

**"Depository":** Depository shall mean a Depository as defined in section 2(1)(e) of the Depositories Act, 1996.

**"Member":** Member shall mean a duly registered holder from time to time of the security of the company and includes every person whose name is entered as beneficial owner in the records of the Depository.

**"Security":** Security shall mean such security as may be specified by SEBI.

**"Dematerialisation of Securities":** Notwithstanding anything on the contrary contained in this Article, the company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form and further to rematerialise the securities held on depository pursuant to the Depositories Act, 1996 or any amendment thereof.

**"Option to hold securities in physical form or with depository":** Every person holding securities of the company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

**"Beneficial Owner may opt out of a Depository":** Every person holding securities of the company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and the Rules, if any, prescribed there under and on fulfilment of the conditions prescribed by the company from time to time, company shall issue the relevant security certificates to the beneficial owner thereof.

**"Securities in Depositories to be in fungible form":** All securities held by a depository shall be dematerialised and shall be in fungible form. Nothing contained relevant Sections of the Companies Act, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

**"Rights of depository and beneficial owners":** A depository shall be deemed to be the registered owner for the purposes of affecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all rights and benefits and be subject to all the liabilities in respect of his/her securities, which are held by a depository.

**"Transfer of securities":** Transfer of security held in a depository will be governed by the provisions of the Depository Act, 1996. Nothing contained in Section 56 of the Companies Act, 2013 or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

**"Register and Index of beneficial owners":** The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

**"Other matters":** Notwithstanding anything contained in these Articles, the provision of Depositories Act, 1996 relating to dematerialisation of securities including any modification(s) or re-enactment thereof and Rules/Regulations made there under shall prevail accordingly.

Notwithstanding anything contained in the Act or the Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic mode or by delivery of floppies or disks.

### ***Nomination***

44. Notwithstanding anything contained in Articles, every holder of shares(s) or debenture(s) of the Company may, at any time, nominate, in the prescribed manner, a person to whom these share(s) shall vest in the event of his death and the provisions of Section 72 of the Companies Act, 1956 shall apply in respect of such nomination.

The provisions of this Article shall apply mutatis mutandis to a depository of money with the Company as per the provisions of Section 73 & 76 of the Act.

### ***Buy-Back of Shares***

45. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

### ***General Meetings***

46. All general meetings other than Annual General Meeting shall be called extraordinary general meeting.
47. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (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.

### ***Proceedings at General Meetings***

48. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
- (iii) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
- (iv) 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.
- (v) 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.

### ***Adjournment of Meeting***

49. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### ***Voting Rights***

50. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

(a) on a show of hands, every member present in person shall have one vote; and

(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.

51. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
52. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
53. 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.
54. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
55. 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.
56. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### ***Proxy***

57. 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.
58. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
59. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### ***Board of Directors***

60. The minimum number of Directors shall be 3 and maximum number of directors shall be 15. The following shall be the First Directors of the Company:

- 1. Mr. Kumar Bihari Pandey***
- 2. Mrs. Sangeeta K Pandey***
- 3. Miss. Sunita K Pandey***
- 4. Mr. Sanjay K Pandey***

61. (i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting.

The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

62. The Board may pay all expenses incurred in getting up and registering the company.

63. 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.

64. 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.

65. 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.

66. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### ***Proceedings of the Board***

67. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) Subject to the Articles herein, a director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

(iii) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(iv) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

68. 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.

69. (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 number to be Chairperson of the meeting.
70. (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.
- (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.
71. A committee may elect a Chairperson of its meetings.
72. 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.
73. (i) A committee may meet and adjourn as it thinks fit.
- (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.
74. 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.
75. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

***Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer***

76. Subject to the provisions of the Act,—
- (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;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
77. 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.

***Managing Director***

78. The business of the Company may be carried on by the Managing Director(s) who may be appointed by the Board of Directors / members in their General Meeting, from time to time who shall fix the terms, qualifications, remuneration, duties, authorities and powers. The Board may from time to time and subject to the provisions of the Act delegate to the Managing Director(s) such of their powers and duties and subject to such limitations and conditions as they may deem fit. The Board may from time to time, revoke, withdraw, alter or vary all or any of the powers conferred on him or dismiss him from office and appoint another in his place.
79. Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. He shall

have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.

#### *The Seal*

80. (i) The Board shall provide for the safe custody of the seal.  
(ii) The seal of the company shall may be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### *Dividends and Reserve*

81. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
82. 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.
83. (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.  
(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
84. (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.  
(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.  
(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.
85. 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.
86. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.  
(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent
87. 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.
88. 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.

89. No dividend shall bear interest against the company.
90. No unclaimed Dividend shall be forfeited before the claim becomes barred by law, and unclaimed Dividends shall be dealt with in accordance with the applicable provisions of the Act

***Accounts***

91. (i) 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.
- (ii) 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.

***Winding Up***

92. 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.
93. 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.
94. 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.

***Indemnity***

95. 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.

## SECTION XII – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material will be attached to the copy of the Draft Prospectus which will be delivered to the RoC for registration. Copies of the above mentioned contracts and also the documents for inspection referred to here under, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days (Monday to Friday) Application/Issue Opening Date until the Application/Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### A. Material Contracts

- 1) Memorandum of Understanding dated July 12, 2023 between our Company, the Selling Shareholders and the Lead Manager.
- 2) Memorandum of Understanding dated July 12, 2023 between our Company and the Registrar to the Issue and the Selling Shareholders.
- 3) Escrow Agreement dated [●] between our Company, the Selling Shareholders, the Lead Manager, Escrow Collection Bank(s) / Sponsor Bank and the Registrar to the Issue.
- 4) Market Making Agreement dated [●] between our Company, the Lead Manager and Market Maker.
- 5) Underwriting Agreement dated [●] between our Company, the Selling Shareholders, the Lead Manager and the Market Maker.
- 6) Share Escrow Agreement dated [●] between the Selling Shareholders, our Company, the Lead Manager and the Share Escrow Agent.
- 7) Tripartite agreement between the CDSL, our Company and the Registrar to the Issue dated June 02, 2023.
- 8) Tripartite agreement between the NSDL, our Company and the Registrar to the Issue dated June 02, 2023.

#### B. Material Documents

- 1) Certified true copies of the updated Memorandum and Articles of Association of our Company, as amended from time to time.
- 2) Copy of Certificate of Incorporation dated January 12, 1988 issued under the name Sunita Tools Private Limited by Registrar of Companies, Mumbai.
- 3) Copy of Fresh Certificate of Incorporation dated April 28, 2023 issued by Registrar of Companies, Mumbai consequent to name change from Sunita Tools Private Limited to Sunita Tools Limited pursuant to the conversion of our Company into a Public Limited Company.
- 4) Resolution of the Board of Directors dated June 09, 2023 in relation to the Issue.
- 5) Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held with a shorter notice on June 12, 2023 in relation to the Issue.
- 6) Statutory Auditor's report for Restated Financials dated June 15, 2023 included in this Draft Prospectus.
- 7) The Statement of Tax Benefits dated June 15, 2023 from our Statutory Auditors included in this Draft Prospectus.

- 8) Consents of our Directors, Selling Shareholders, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker(s) to the Company\*, Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Banker to the Issue\*, Underwriters\* and Market Maker\* to act in their respective capacities.

*\*The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

- 9) Due Diligence Certificate(s) dated [●] to SEBI by the Lead Manager.
- 10) Approval from BSE vide letter dated [●] to use the name of BSE in this Offer Document for listing of Equity Shares on the SME Platform of BSE.

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

\_\_\_\_\_  
**Sanjay Kumar Pandey**  
Chairperson and Whole-time Director

**Date:** July 31, 2023

**Place:** Thane

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

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**Satish Kumar Pandey**  
Managing Director

**Date:** July 31, 2023

**Place:** Thane

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

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**Ragini Pandey**  
Whole-time Director

**Date:** July 31, 2023  
**Place:** Thane

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

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**Uma Pandey**  
Non-Executive Director

**Date:** July 31, 2023  
**Place:** Thane

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

\_\_\_\_\_  
**Nikhil Malpani**  
Non-Executive Independent Director

**Date:** July 31, 2023

**Place:** Gwalior

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

\_\_\_\_\_  
**Diksha Maheshwari**  
Non-Executive Independent Director

**Date:** July 31, 2023

**Place:** Jodhpur

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

Sd/-

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**Satish Kumar Pandey**  
Chief Financial Officer

**Date:** July 31, 2023

**Place:** Thane

## DECLARATION

We, hereby declare that, all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the Guidelines issued by the Government of India or the Regulations or Guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992, each as Amended or Rules made there under or Guidelines / Regulations issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:**

Sd/-

\_\_\_\_\_  
**Rupal Dedhia**  
Company Secretary and Compliance Officer

**Date:** July 31, 2023

**Place:** Thane

## **DECLARATION BY SELLING SHAREHOLDER**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by it in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any expert or any other person(s) in this Draft Prospectus.

### **SIGNED BY THE SELLING SHAREHOLDER**

**Sd/-**

**Sanjay Kumar Pandey**

**Date:** July 31, 2023

**Place:** Thane

## **DECLARATION BY SELLING SHAREHOLDER**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by it in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any expert or any other person(s) in this Draft Prospectus.

### **SIGNED BY THE SELLING SHAREHOLDER**

Sd/-

\_\_\_\_\_  
**Satish Kumar Pandey**

**Date:** July 31, 2023

**Place:** Thane

## **DECLARATION BY SELLING SHAREHOLDER**

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made in this Draft Prospectus about or in relation to himself and the Equity Shares being offered by it in the Issue are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements or undertakings made by the Company or any expert or any other person(s) in this Draft Prospectus.

### **SIGNED BY THE SELLING SHAREHOLDER**

Sd/-

\_\_\_\_\_  
**Ragini Pandey**

**Date:** July 31, 2023

**Place:** Thane