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**DRAFT PROSPECTUS**

Dated: 27<sup>th</sup> September, 2022

**100% Fixed Price Issue**

(Please read section 26 of the Companies Act, 2013)

(This Draft Prospectus will be updated upon filing with the RoC)



**PRITIKA ENGINEERING COMPONENTS LIMITED**  
CIN: U28999PB2018PLC047462

Registered Office	Contact Person	Email and telephone	Website
Plot No. C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali, Punjab-160055.	Mr. Chander Bhan Gupta Company Secretary and Compliance officer	<b>Email-id:</b> compliance.pecl@pritikagroup.com <b>Telephone:</b> +91 9878723399	www.pritikaengineering.com

**PROMOTER OF OUR COMPANY-PRITIKA AUTO INDUSTRIES LIMITED**

**DETAILS OF THE ISSUE**

TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	₹ [●] Lakhs	Nil		THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.

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

**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 of our Company. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “Basis for Issue Price” beginning on page no. 69 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 RISKS**

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of ‘Risk factors’ given on page number 25 under the section ‘General Risks.’


**OUR COMPANY’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 this Issue, which is material in the context of this 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.


**LISTING**

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the EMERGE platform of National Stock Exchange of India Limited. Our Company has received an ‘in-principle’ approval letter dated [●] from National Stock Exchange of India Limited for using its name in this offer document for listing our shares on the EMERGE Platform of the National Stock Exchange of India Limited. For the purpose of this Offer, the Designated Stock Exchange will be National Stock Exchange of India Limited (“NSE”). A signed copy of the Prospectus shall be delivered for filing with the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, see “Material Contracts and Documents for Inspection” on page 275 of this Draft Prospectus.

**LEAD MANAGER: GYR CAPITAL ADVISORS PRIVATE LIMITED**

NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE
	Mr. Mohit Baid	<b>Telephone:</b> +91 8777564648 <b>Fax:</b> NA <b>Email:</b> <a href="mailto:info@gyrcapitaladvisors.com">info@gyrcapitaladvisors.com</a>

**REGISTRAR TO THE ISSUE: SATELLITE CORPORATE SERVICES PRIVATE LIMITED**

NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE
	Michael Norbert Monteiro	Telephone: +91 022- 28520461 Fax: NA Email: <a href="mailto:sme.ipo@satellitecorporate.com">sme.ipo@satellitecorporate.com</a>

**ISSUE PERIOD**

ISSUE OPENS ON	[●]	ISSUE CLOSES ON	[●]
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**DRAFT PROSPECTUS**Dated: 27<sup>th</sup> September, 2022**Fixed Price Issue**

(Please read section 26 of the Companies Act, 2013)

(This Draft Prospectus will be updated upon filing with the RoC)

**PRITIKA ENGINEERING COMPONENTS LIMITED**

CIN: U28999PB2018PLC047462

Our Company was incorporated as 'Pritika Engineering Components Private Limited' as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Chandigarh dated 20<sup>th</sup> February, 2018 at its registered office situated at Plot No.C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali, Punjab-160055. Pursuant to a special resolution of our Shareholders passed in the extra-ordinary general meeting held on 16<sup>th</sup> April, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to 'Pritika Engineering Components Limited', and a fresh certificate of incorporation dated 21<sup>st</sup> April, 2022 was issued to our Company by the Registrar of Companies, Chandigarh. The corporate identification number of our Company is U28999PB2018PLC047462. For details of change in Registered Office of our Company, please refer to the chapter titled "History and Certain Corporate Matters" on page 111 of this Draft Prospectus.

**Registered Office:** Plot No.C-94, Phase-VII, Industrial Focal Point, S.A.S Nagar, Mohali, Punjab-160055; **Telephone:** +91 9878723399;**Contact Person:** Mr. Chander Bhan Gupta, Company Secretary and Compliance Officer; **E-mail:** compliance.pecl@pritikagroup.com; **Website:** www.pritikaengineering.com**Corporate Identity Number:** U28999PB2018PLC047462**OUR PROMOTER- PRITIKA AUTO INDUSTRIES LIMITED**

**PUBLIC ISSUE OF UP TO 35,00,000 EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("EQUITY SHARES") OF PRITIKA ENGINEERING COMPONENTS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SECURITIES PREMIUM OF ₹ [•] PER EQUITY SHARE) (THE "ISSUE PRICE"), AGGREGATING UPTO ₹ [•] LACS ("ISSUE") OF THE ISSUE, [•] EQUITY SHARES AGGREGATING TO ₹ [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH AT AN ISSUE PRICE OF ₹ [•] PER EQUITY SHARE AGGREGATING TO ₹ [•] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•]% AND [•]%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 174 OF THE DRAFT PROSPECTUS.**

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.

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 irrespective bank accounts and / or UPI IDs, in case of RILs, 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 185 of this Draft Prospectus. A copy of the Prospectus will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

**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 of our Company. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under "Basis for Issue Price" beginning on page no. 69 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 RISKS**

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 25 under the section 'General Risks'.

**OUR COMPANY'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 this Issue, which is material in the context of this 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.

**LISTING**

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited. Our Company has received an 'in-principle' approval letter dated [•] from NSE for using its name in this offer document for listing our shares on the EMERGE Platform of the NSE. For the purpose of this Offer, the Designated Stock Exchange will be National Stock Exchange of India Limited ("NSE"). A signed copy of the Prospectus shall be delivered for filing to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Prospectus up to the Issue Closing Date, see "Material Contracts and Documents for Inspection" on page 275 of this Draft Prospectus.

**LEAD MANAGER****GYR CAPITAL ADVISORS PRIVATE LIMITED**  
(Formerly known as Alpha Numero Services Private Limited)428, Gala Empire, Near JB Tower,  
Drive in Road, Thaltej,  
Ahemdabad-380 054,  
Gujarat, India.**Contact Person:** Mohit Baid**Telephone:** +91 87775 64648**Facsimile:** N.A.**E-mail:** info@gyrcapitaladvisors.com**Website:** www.gyrcapitaladvisors.com**Investor grievance:** investors@gyrcapitaladvisors.com**SEBI Registration Number:** INM000012810**CIN:** U67200GJ2017PTC096908**REGISTRAR TO THE ISSUE****SATELLITE CORPORATE SERVICES PRIVATE LIMITED**A-106 & 107, Dattani Plaza, East West  
Compound, Andheri Kurla Road, SafedPul,  
Sakinaka, Mumbai-40072, Maharashtra, India**Contact Person :** Michael Norbert Monteiro**Tel:** +91 022-28520461**Email:** sme.ipo@satellitecorporate.com**Investor grievance e-mail:**

sme.ipo@satellitecorporate.com

**Website:** www.satellitecorporate.com**SEBI Registration No. :** INR000003639**CIN:** U65990MH1994PTC077057**ISSUE PROGRAMME**

<b>ISSUE OPENS ON</b>	[•]
<b>ISSUE CLOSES ON</b>	[•]

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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.

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.

Notwithstanding the foregoing, terms used in the sections “*Statement of Tax Benefits*”, “*Financial Information*” and “*Main Provisions of the Articles of Association*” on page 72, 137, and 235 respectively, shall have the meaning ascribed to such terms in such sections.

#### General Terms

Term	Description
“Company”, “our Company”, “PECL”, “the Company”, “the Issuer”	Pritika Engineering Components Limited, a company incorporated under the Companies Act, 2013, having its registered office at Plot No.C-94, Phase VII, Industrial Focal Point, S.A.S Nagar, Mohali, Punjab-160055.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
“PAIL”	Pritika Auto Industries Limited, a company incorporated under the Companies Act, 1956, having its registered office at Plot No.C-94, Phase VII, Industrial Focal Point, S.A.S Nagar, Mohali, Punjab-160055, is the holding/promoter of our company.
“MCL”	Meeta Castings Limited, a company incorporated under the Companies Act, 2013, having its registered office at Plot No.C-94, Phase VII, Industrial Focal Point, S.A.S Nagar, Mohali, Punjab-160055, is the wholly owned subsidiary of our company.
“PIL”	Pritika Industries Limited, a company incorporated under the Companies Act, 1956, having its registered office at Plot No. C-94, Phase-VII, Industrial Focal Point, S.A.S. Nagar, Mohali, 160055, is amongst Promoter group of our company.

#### Company Related Terms

Term	Description
Articles / Articles of Association / AoA	The Articles / Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 114 of this Draft Prospectus.
Auditor / Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, M/s. Sunil Kumar Gupta & Co., Chartered Accountants.
Board / Board of Directors	Board of Directors of our Company or a duly constituted committee thereof.
Chairman	Mr. Raminder Singh Nibber, the Chairman of our Board of Directors.
Chief Financial Officer / CFO	Mr. Narinder Kumar Tyagi, the Chief Financial Officer of our Company.
Company Secretary and Compliance Officer	Mr. Chander Bhan Gupta, the Company Secretary and the Compliance Officer of our Company.
Corporate Social Responsibility Committee	The committee of the Board of directors constituted as our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 114 of this Draft Prospectus.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Shares	Equity shares of our Company of face value of ₹ 10 each.
Executive Directors	Executive directors of our Company.
Group Companies	Companies (other than our Subsidiary) with which there have been related party transactions, during the last three financial years, as covered under the applicable

Term	Description
	accounting standards and other companies as considered material by the Board in accordance with the Materiality Policy.
Independent Director(s)	The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
Promoters	Promoters of our Company, namely Pritika Auto Industries Limited. For further details, please see the section entitled “ <i>Our Promoters and Promoter Group</i> ” on page no. 128 of this Draft Prospectus.
Key Managerial Personnel / KMP	Key management personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the section titled “ <i>Our Management</i> ” on page 114 of this Draft Prospectus.
Managing Director/ MD	Mr. Harpreet Singh Nibber, the Managing Director of our Company.
Materiality Policy	A policy adopted by our Company, in its Board meeting held on 27th July, 2022 for identification of group companies, material creditors and material litigations.
Memorandum of Association / MoA	Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of directors constituted as our Company’s nomination and remuneration committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013. For details, see “ <i>Our Management</i> ” on page 114 of this Draft Prospectus.
Non-executive Directors	Non-executive Directors of our Company.
Promoter Group	The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoter and Promoter Group</i> ” on page no 128 of this Draft Prospectus.
Registered Office	The registered office of our Company situated at Plot No.C-94, Phase- VII, Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab, India-160055.
Registrar of Companies/ RoC	Registrar of Companies, Chandigarh.
Restated Financial Statements /Restated Financial Information	Restated financial statements of our Company for the Fiscals 2022, 2021 and 2020 prepared in accordance with Ind AS and examined by the Auditor in accordance with the requirements of the Companies Act and restated in accordance with the provisions of the SEBI ICDR Regulations. For details, see “ <i>Financial Information</i> ” on page no. 137 of this Draft Prospectus.
Shareholders	Shareholders of our Company, from time to time.
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see “ <i>Our Management</i> ” on page no. 114 of this Draft Prospectus.
Subsidiaries	The wholly owned subsidiary of our Company, namely Meeta Castings Limited.
Whole-time Director	The whole-time director of our Company.

#### Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Allot/Allotment/ Allotted	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue to the successful applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants.
Allotment Advice	Note, 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.
Allottee	The successful applicant to whom the Equity Shares are being / have been allotted.
Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied includes an ASBA Applicant.
Application Supported by	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

Term	Description
Blocked Amount/ASBA	Account maintained with such SCSB. ASBA is mandatory for all Applicants participating in the Issue.
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the Applicants for blocking the Application Amount mentioned in the ASBA Form.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Draft Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Form	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicant and which will be considered as an application for Allotment in terms of the Prospectus.
ASBA Bid	A Bid made by ASBA Bidder
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Banker(s) to the Issue	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Public Issue Account will be opened, in this case being [•].
Basis of Allotment	Basis on which the Equity Shares will be Allotted to successful Applicants under the Issue and which is described in “ <i>Issue Procedure</i> ” on page 185 of this Draft Prospectus.
Applicant(s)	Any prospective investor who makes an application pursuant to the terms of the Prospectus and the Application Form and unless otherwise stated or implied includes an ASBA Applicant.
Bidding Centers	The centers at which the Designated Intermediaries shall accept the Application Forms i.e. Designated Branches for SCSBs, Specified Locations for Members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centers	Broker centers notified by the Stock Exchanges, where Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchange ( <a href="http://www.LMindia.com">www.LMindia.com</a> ) and are updated from time to time.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant(s)/ 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. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the website of NSE ( <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Controlling Branches	Such branches of SCSBs which coordinate Applications under the Issue with the LM, the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation, Bank Account details and UPI ID (if applicable).
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the Application 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 Application Forms are available on the websites of the Stock Exchange.
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
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

Term	Description
	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 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 <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	National Stock Exchange of India Limited
DP ID	Depository Participant's identity number
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.
Draft Prospectus/DP	This Draft Prospectus dated [•] issued in accordance with Section 26 of the Companies Act, 2013 and SEBI ICDR Regulation.
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.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares.
Escrow Account(s)	Account(s) opened with the Banker(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement.
Escrow Agent	[•]
Escrow Agreement	Agreement dated [•] entered into amongst the Company, Lead Manager, the Registrar and the Banker to the Issue and Sponsor Bank to receive monies from the Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [•].
First Applicant	The Applicant whose name appears first in the Application Form or the Revision Form and in case of a joint Application and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document/ GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020 and the circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars The General Information Document shall be available on the website of the Stock Exchange and the LM.
Issue	Initial public offer of up to 35,00,000 Equity Shares of face value of ₹10 each of our Company for cash at a price of ₹ [•] per Equity Share aggregating up to ₹ [•].
Issue Agreement	The agreement dated July 22, 2022 between our Company and the LM, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Lead Manager under the Draft Prospectus and the Prospectus being ₹ [•]/- per share.



Term	Description
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” on page 61 of this Draft Prospectus.
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.
Issue Opening	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [•]
Issue Closing	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [•]
Lead Manager/ LM	The lead manager to the Issue, being GYR Capital Advisors Private 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	Market Maker of the Company, in this case being [•]
Market Maker Reservation Portion	The Reserved portion of [•] Equity shares of ₹ 10/- each at an Issue Price of ₹ [•] aggregating to ₹ [•] lakhs for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Lead Manager and our Company dated [•].
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	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [•] equity Shares of face value of ₹10/- each fully paid for cash at a price of ₹ [•] per Equity Share (the “Issue Price”), including a share premium of ₹ [•] per equity share aggregating to ₹ [•] Lakhs
Net Proceeds	Proceeds of the Issue less our Company’s share of Issue related expenses. For further information about the Issue related expenses, see “ <i>Objects of the Issue</i> ” on page 61 of this Draft Prospectus.
Non-Institutional Applicant / Investors	All Applicants, including FPIs which are individuals, corporate bodies and family offices, that are not QIBs or RIIs and who have Application for Equity Shares for an amount of more than ₹2.00 Lakhs (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Issue being 50% of the Net Issue consisting of [•] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at the Issue Price or through such other method of allocation as may be introduced under applicable law
Non-Resident/ NR	A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs.
Offer Agreement	Agreement dated July 22, 2022 entered amongst our Company and the Lead Manager, pursuant to which certain arrangements have been agreed to in relation to the Issue
Prospectus	The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Account to be opened with Banker to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Public Issue Account Bank	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Application Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being [•].
Pricing Date	The date on which our Company, in consultation with the Managers, will finalise the Issue Price

Term	Description
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Buyers / QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Qualified Institutional Buyers/ QIBs	Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
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 and having terminals at any of the Broker Centres and eligible to procure Applications in terms of Circular No. CIR/CFD/14/2012 dated October 04, 2012 and the UPI Circulars issued by SEBI.
Registrar Agreement	The registrar agreement dated April 12, 2022 between our Company 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	The registrar and the 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 as per the list available on the website of NSE.
Registrar to the Issue / Registrar	Satellite Corporate Services Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Retail Portions	Portion of the Issue being 50% of the Net Issue consisting of [•] Equity Shares which shall be available for allocation to RIBs (subject to valid Bids being received at or above the Issue Price), which shall not be less than the minimum Bid Lot subject to availability in the Retail Portion, and the remaining Equity Shares to be Allotted on a proportionate basis
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 Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date.
Refund account	Account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made
Refund Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Refund Account will be opened, in this case being [•].
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through 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.
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, in consultation with the LM 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 [•].
Stock Exchange	National Stock Exchange of India Limited
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.

Term	Description
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.
Underwriter	[•]
Underwriting Agreements	The agreement dated [•] entered into among the Underwriter and our Company prior to the filing of the Prospectus with the RoC.
Unified Payment Interface or UPI	Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a persons' bank account.
UPI	Unified Payment Interface.
UPI Circulars / SEBI UPI Circulars	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the RIB by way of a notification on the UPI application and by way of a SMS directing the RIB to such UPI application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
UPI Mechanism	Process for applications by RIBs submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars.
UPI PIN	Password to authenticate UPI transaction.
Wilful Defaulter	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of the Issue Price; and (b) Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI, including the UPI Circulars.

#### Conventional and General Terms and Abbreviations

Term	Description
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
CAGR	Compounded Annual Growth Rate.
Category I AIF	AIFs which are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations.
Category II AIF	AIFs which are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations.
Category III AIF	AIFs which are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulation.
Category I FPI(s)	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations.
Category II FPI(s)	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations

Term	Description
Category III FPIs	FPIs who are registered as Category III FPIs under the SEBI FPI Regulations, and shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.
CDSL	Central Depository Services (India) Limited.
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act	Companies Act, 1956 and / or the Companies Act, 2013 as applicable.
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
Companies Act 2013	Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder.
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CRAR	Capital to Risk Asset Ratio
CSR	Corporate social responsibility
Depository(ies)	NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
DP or Depository Participant	A depository participant as defined under the Depositories Act
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DP ID	Depository Participant's Identity Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Term Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion)
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
EGM	Extraordinary General Meeting
EMERGE	The SME platform of National Stock Exchange of India Limited
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 duly amended
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GAAR	General Anti-Avoidance Rules
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India

Term	Description
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income Tax Act, 1961
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
INR or ₹ or Rs. Or Indian Rupees	Indian Rupee, the official currency of the Republic of India.
IPO	Initial public offering
IRDAI	Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999
IRR	Internal rate of return
IMPS	Immediate Payment Service
IST	Indian Standard Time
Insolvency Code	Insolvency and Bankruptcy Code, 2016
ISIN	International Securities Identification Number
IT	Information Technology
KYC	Know your customer
Lacs	Lakhs
LIBOR	London Inter-Bank Offer Rate
MCA	The Ministry of Corporate Affairs, Government of India
MSME	Micro, Small, and Medium Enterprises
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House, a consolidated system of ECS.
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
NRO	Non-resident ordinary account
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NPCI	National Payments Corporation of India
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent account number
PAT	Profit after tax
PIO	Person of India Origin
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation	Regulation under the Securities Act
RTI	Right to Information, in terms of the Right to Information Act, 2005
RTGS	Real Time Gross Settlement
Rule 14A	Rule 14A under the Securities Act

Term	Description
₹/Rs./ Rupees/ Indian Rupees	The lawful currency of India
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SARFAESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
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
SEBI Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Ind AS Transition Circular	SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Merchant Bankers Regulation	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	The United States Securities Act of 1933.
Stamp Act	The Indian Stamp Act, 1899
STT	Securities Transaction Tax
SME	Small and Medium Enterprises
State Government	The government of a state in India
Trademarks Act	Trademarks Act, 1999
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
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. Holder	A beneficial owner of Equity Shares that is for United States federal income tax purposes: (a) an individual who is a citizen or resident of the United States; (b) a corporation organised under the laws of the United States, any state thereof or the District of Columbia; (c) an estate whose income is subject to United States federal income taxation regardless of its source; or (d) a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions of the trust, or (2) has a valid election in effect under the applicable U.S. Treasury regulations to be treated as a U.S. person
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve month period ending December 31

## Industry Related Terms

Term	Description
API	Active Pharmaceutical Ingredient
Covid-19	Coronavirus Disease
FDI	Foreign Direct Investment
PAIL	Our Holding Company-Pritika Auto Industries Limited
MCL	Our Subsidiary company-Meeta Castings Limited
GDP	Gross Domestic Product
IMF	International Monetary Fund
U.S.	United States of America
UK	United Kingdom
US\$	United States Dollar

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 5, 72, 75, 103, 137, 156 and 185 respectively of this Draft Prospectus, will have the meaning ascribed to such terms in these respective sections.

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

All references to “India” contained in this Draft Prospectus 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 Government of India, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Prospectus are to a calendar year.

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

### **Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “*Financial Information*” on page 137 of this Draft Prospectus.

Our Company’s financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Financial Statements of our Company for the Financial Years ended March 2022, 2021 and 2020 which comprise restated summary statement of assets and liabilities, the restated summary statement of profit and loss, the restated summary statement of cash flow and restated summary statement of changes in equity together with the annexures and notes thereto and the examination report thereon, as compiled from the Indian Accounting Standard (Ind AS) financial statements for respective period/year and in accordance with the requirements provided under the provisions of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “*Reports in Company Prospectuses (Revised 2019)*” issued by ICAI.

There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS, the Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and 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 Position and Results of Operations*” on pages 25, 87 and 140 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, prepared in accordance with Ind AS, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

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 the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages 25, 75 and 87 respectively, this Draft Prospectus.

### **Currency and Units of Presentation**

All references to:

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

Our Company has presented all numerical information in is Draft Prospectus in “lacs” units or in whole numbers where the numbers have been too small to represent in lacs. One lac represents 1,00,000 and one million represents 10,00,000.

### **Exchange rates**

This Draft Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a



representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

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

Currency	Exchange rate as on		
	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	75.80	73.50	75.38

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

### 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 no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, "Basis for Issue Price" on page 69 of this Draft Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the LM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors" on page 25 of this Draft Prospectus.

## FORWARD - LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “propose”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. These forward-looking statements, whether made by us or a third party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India in which we operate 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 which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our Company’s 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;
- Uncertainty regarding the market, land prices, economic conditions and other factors beyond our control;
- Inability to identify or effectively respond to consumer 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;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- 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 performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities; and
- Failure to successfully upgrade our products and service portfolio, from time to time.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 25, 87 and 140, respectively, of this Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflects current views as of the date of this Draft Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-

looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Promoters, the Syndicate nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company, the Promoters and the Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange for the Issue.

## SECTION- II - OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Prospectus, including the sections entitled “*Risk Factors*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*”, “*Our Promoters and Promoter Group*”, “*Financial Statements*”, “*Objects of the Issue*”, “*Our Business*”, “*Issue Procedure*” and “*Description of Equity Shares and Terms of Articles of Association*” on pages 25,75,156,128,137,61,87,185 and 235, respectively.

### 1. Summary of Industry

The auto-components industry has experienced healthy growth over the last few years. The auto-components industry expanded by a CAGR of 3.28% from FY16 to FY20 to reach US\$ 45.90 billion in FY21. The industry is expected to reach US\$ 200 billion by FY26. The auto-components industry accounts for 7.1% of India’s Gross Domestic Product (GDP) and employs as many as 5 million people directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and an ever-increasing development in infrastructure have made India a favourable destination for investment. The Government of India’s Automotive Mission Plan (AMP) 2006-2026 has come a long way in ensuring growth for the sector. Indian Automobile industry is expected to achieve a turnover of US\$ 300 billion by 2026 and will grow at a CAGR of 15% from its current revenue of US\$ 74 billion. The Foreign Direct Investment (FDI) inflow into the Indian automotive industry between April 2000- March 2022 stood at US\$ 32.84 billion.

For further details, please refer chapter titled “*Our Industry*” on page 75 of this draft prospectus.

### 2. Summary of Business

Our Company caters to the tractor industry in the automotive sector with major dependency on Original Equipment Manufacturers. We Supply our product directly to OEM and through our promoter company Pritika Auto Industries Limited and Group Company Pritika Industries Limited. We engaged in the business of manufacturing of precision machined components primarily for automotive industry, especially for tractors, trucks, and other commercial vehicles, etc. Our Company manufactures various Tractors & Automobile components like End Cover, Cover Sealed Brake, Differential Case, Cover Hydraulic Lift, Cover Transcase, Front Wheel hub, Fly Wheel Housing, Rear Axle Casings, Hydraulic Lift Covers, Brake Housing & Front Engine Supports etc. With Vision to be First choice among Original Equipment’s Manufactures for Machined Castings & to be One of the Largest Producers of Machined Castings in India; our Mission is to Produce 35,000 MT of Machined Castings by Year 2025. In FY22, we manufactured 6619 MT with an installed capacity of 12000 MT.

For further details, please refer chapter titled “*Our Business*” on page 87 of this Draft Prospectus.

### 3. Promoters

M/s Pritika Auto Industries Limited is the Promoter of our Company. Company was originally incorporated as a public limited Company on April 11, 1980 under the name and style of Hariganga Machineries and Engineering Services Limited with Registrar of Companies, Maharashtra. Subsequently, the name of the Company was changed to Shivkrupa Machineries and Engineering Services Limited on August 05, 2015. On March 16, 2017, the name of the Company was changed from Shivkrupa Machineries and Engineering Services Limited to Pritika Auto Industries Limited.

The company was previously listed on Calcutta Stock Exchange and the same was directly listed on the Bombay stock exchange dated October 01, 2015. The company intended to get directly listed on the National Stock Exchange through Direct Listing, and received its listing approval dated August 10, 2021.

Application for delisting of the shares of the company was filed with Calcutta Stock Exchange dated February 21, 2017, order of which is awaited

For further details please refer the chapter titled “*Our Promoters and Promoter Group*” beginning on page 128 of this Draft Prospectus.

### 4. Issue

Initial Public Offer of up to 35,00,000 Equity Shares of face value of ₹ 10 each of the Company for cash at a price of ₹ [•] per Equity Share (including a share premium of ₹ [•] per Equity Share) aggregating upto ₹ [•] lacs out of which issue of [•] Equity Shares aggregating to ₹ [•] lacs shall be reserved for the market making and Equity Shares having face value of ₹10 each at a price of ₹ [•] per Equity Share aggregating ₹ [•] lakhs will be available for allocation to Retail Individual Investors and [•] Equity Shares having face value of ₹10 each at a price of ₹ [•] per Equity Share aggregating ₹ [•] lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for.

For further details, please refer chapter titled “*The Issue*” beginning on page 41 of this Draft Prospectus

## 5. Objects of the Issue

Issue Proceeds and Net Proceeds

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Issue	[•]
Less: Issue Related Expense	[•]
Net Proceeds of the Issue	[•]

The proposed utilization of Net Proceeds is set forth as stated below:

(₹ in lakhs)

Sr. No.	Particulars	Amount	% of Net Proceeds
1.	Investment in relation to the new unit set up by our Wholly Owned subsidiary, Meeta Castings Limited (MCL)	Upto 700.00	[•]
2.	General Corporate Purpose <sup>(1)</sup>	[•]	[•]
	<b>Total</b>	[•]	[•]

<sup>(1)</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please refer the chapter titled “Objects of the Issue” beginning on page 61 of this Draft Prospectus.

## 6. Aggregate Pre Issue Shareholding of Promoters and Promoter Group

Following are the details of the pre-Issue shareholding of Promoters and Promoter Group:

Sr. No.	Name of the Shareholders	Pre-Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital
<b>Promoter</b>			
1.	Pritika Auto Industries Limited	76,34,508	100
<b>Natural Persons Controlling Promoter</b>			
2.	Raminder Singh Nibber	2	Negligible
3.	Harpreet Singh Nibber	1	Negligible
	<b>Total</b>	<b>76,34,511</b>	<b>100</b>

For further details, please refer the chapter titled “Capital Structure” on page 51 of this Draft Prospectus.

## 7. Summary of Restated Financial Information

Following are the details as per the Restated Financial Information for the Financial Years ended on March 31, 2022, 2021 and 2020:

(₹ in lacs)

S. No.	Particulars	March 31, 2022	March 31, 2021	March 31, 2020
1.	Share Capital	763.45	763.45	499.99
2.	Net Worth	1652.62	1262.13	538.80
3.	Revenue from operations	5360.75	3207.16	2167.84
4.	Profit after Tax	546.17	38.18	13.75
5.	Earnings per Share	7.15	0.60	0.27
6.	Net Asset Value per equity share	22	17	11
7.	Total Borrowings	2507.67	2196.71	2023.00

For further details, please refer the section titled “Financial Information” on page 137 of this Draft Prospectus.

## 8. Auditor qualifications which have not been given effect to in the Restated Financial statements

The Restated Financial Information do not contain any qualifications by the Statutory Auditors

## 9. Summary of Outstanding Litigation

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

### a) Litigations involving our Company

#### i) Cases filed against our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil
Legal Notices	Nil	Nil

*\*To the extent quantifiable*

#### ii) Cases filed by our Company:

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	2	23.74
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

### b) Litigations filed against our Promoters

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	1	Not quantifiable
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil
Legal Notices	Nil	Nil

*\*To the extent quantifiable*

### c) Litigations filed against our Directors

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	1	80.00
Legal Notices	Nil	Nil

### d) Litigations filed by our Promoter and Promoter Group

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Criminal matters	Nil	Nil
Direct Tax matters	9	69.14
Indirect Tax matters	1	153.55
Actions taken by regulatory authorities	Nil	Nil

Nature of Litigation	Number of matters outstanding	Amount involved* (₹ in lakhs)
Material civil litigations	Nil	Nil
Legal Notices	Nil	Nil

For further details, please refer the chapter titled “*Outstanding Litigations and Material Developments*” on page 156 of this Draft Prospectus.

## 10. Risk Factors

Please refer the chapter titled “*Risk Factors*” beginning on page 25 of this Draft Prospectus.

## 11. Summary of Contingent Liabilities

Following are the details of contingent liability for the Financial Years ended on March 31, 2022, 2021 and 2020:

(₹ in lacs)

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
<b>Contingent Liabilities:</b>			
Claim against the company not acknowledged as debt	---	---	---
- Income tax	---	---	---
- Letter of Credit	90.50	---	---
- Corporate guarantee to Bank/NBFCs on behalf of subsidiary of the company and other body	---	---	---

For further details, please refer the chapters titled “*Restated Financial Information*” at page 137 of this Draft Prospectus.

## 12. Summary of Related Party Transactions

Following are the details as per the “*Restated Consolidated Financial Information*” on page no. 137 for the Financial Years ended on March 31, 2022, 2021 and 2020:

Transaction with Related Parties

(₹ in lacs)

Name of Related Party	Nature of Relationship	Nature of Transaction	Year Ended 31 <sup>st</sup> March, 2022	Year Ended 31 <sup>st</sup> March, 2021	Year Ended 31 <sup>st</sup> March, 2020
Pritika Auto Industries Limited	Holding Company	Sale	1783.6	267.97	194.21
Pritika Auto Industries Limited	Holding Company	Purchase	227.36	57.98	88.77
Pritika Auto Industries Limited	Holding Company	Interest Payment	---	---	30.71
Pritika Industries Limited	Promoter Group	Sale	3171.74	2925.1	1979.94
Pritika Industries Limited	Promoter Group	Purchase	257.76	186.15	34.85
Harpreet Singh Nibber	Director	Director Remuneration	12.00	10.5	11.5

(₹ in lacs)

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount outstanding as on March 31,		
			2022	2021	2020
	Holding Company	Payables	1083.91	509.97	457.47

Pritika Auto Industries Limited		Borrowings	---	---	510.14
Pritika Industries Limited	Promoter Group	Payables	723.96	237.97	52.07
Meeta Castings Limited	Subsidiary Company	Advances	110.47	---	---

### 13. Financials Arrangements

There are no financing arrangements whereby the promoters, members of the promoter group, the directors of the company which is a promoter of our Company, the directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Draft Prospectus.

### 14. Weighted Average Price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Prospectus

The details of the weighted average price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Prospectus is as follows:

Name of Promoter	No. of shares acquired in last one year from the date of this Draft Prospectus	Weighted Average Price (in ₹)
Pritika Auto Industries Limited	Nil	Nil

### 15. Average Cost of Acquisition of Equity Shares for Promoters

The average cost of acquisition of Equity Shares for the Promoters is as follows:

Name of Promoter	No. of shares held	Average Cost of Acquisition (in ₹)
Pritika Auto Industries Limited	76,34,508	15.52

### 16. Pre-IPO Placement

Our Company does not contemplate any issuance or placement of Equity Shares in this Issue until the listing of the Equity Shares.

### 17. Issue of equity shares made in last one year for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Prospectus.

### 18. Split or consolidation of Equity Shares in the last one year

No split or consolidation of equity shares has been made in the last one year prior to filing of this Draft Prospectus.

### 19. Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.



## SECTION- III - RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our Equity Shares could decline, and as prospective investors, you may lose all or part of your investment. You should consult your tax, financial and legal advisors about particular consequences to you of an investment in this Issue. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.*

*To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 75, 87 and 140 of this Draft Prospectus, respectively. The industry-related information disclosed in this section that is not otherwise publicly available is derived 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.*

*This Draft Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 18 of this Draft Prospectus.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated Financial Information.*

*Materiality:*

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

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

*The financial and other related implications of risks concerned, whether quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.*

*In this Draft Prospectus, any discrepancies in any table between total and sums of the amount listed are due to rounding off.*

*In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Pritika Engineering Components Limited.*

*The risk factors are classified as under for the sake of better clarity and increased understanding.*

### **INTERNAL RISK FACTORS**

#### **BUSINESS RELATED RISKS**

##### **1. Our Company do not own any premises where the registered office of the company is situated.**

Our Registered office of the company situated at Plot No. C-94, Phase VII, Industrial Focal Point, S.A.S Nagar, Mohali-160055, Punjab Our registered office is owned by one of our group company M/s Pritika Industries Limited with whom we have entered into a rent agreement dated 14<sup>th</sup> February, 2018 and further extend the agreement upto 31<sup>st</sup> July, 2023. However if the agreement is terminated by either of the parties or upon expiry of the said agreement or increase in rent or any non-compliance, we may have to vacate the office and re-locate to another premises or agree to pay the extra amount for using the same premises. Further

increase in rent structure will lead to increase of our expenditure which in turn will lead to decrease of revenue and increase operational cost.

- 2. We extend significant credit terms to our customers and are subject to counterparty credit risk. Any deterioration in such customers' financial position and their ability to pay or our inability to extend credit in line with market practice may adversely impact our profitability.***

We are exposed to payment delays and/or defaults by our customers. Our financial position and financial performance are dependent on the creditworthiness of our customers. As per our business model, we supply our products directly to our customers without taking any advance payment or security deposit against the orders placed by them. Such delays in payments may require our Company to make a working capital investment. We cannot assure you that payments from all or any of our customers will be received in a timely manner or to that extent will be received at all. If a customer defaults in making its payments for an order over which our Company have devoted significant resources, or if an order in which our Company has invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our Company's results of operations and financial condition.

There is no guarantee on the timeliness of all or any part of our customers' payments and whether they will be able to fulfil their obligations, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur, our financial performance and our operating cash flows may be adversely affected.

- 3. We do not have firm commitment long-term supply agreements with our customers. If our customers choose not to source their requirements from us, there may be a material adverse effect on our business and results of operations.***

We do not generally have firm commitment long-term supply agreements with our customers and instead rely on purchase orders issued by our customers from time to time that set out the commercial terms, delivery conditions and the indicative volumes to be procured from us. Where we have supply agreements with our customers, these agreements set forth the terms of sales but do not bind customers to any specific products, specifications, purchase volumes or duration and can be terminated by our customers with or without cause, with little or no advance notice and without compensation. In addition, such supply agreements provide flexibility to our customers to place an order for a lesser quantity of products in the schedules given to us despite a higher quantity specified in the contract. Customers may also place an order for products with different specifications from those stated in the contract. There is no commitment on the part of the customer to continue to place orders with us. For actual supply, we rely on schedules given to us periodically by our customers. These schedules may be amended or cancelled prior to delivery, and should such amendment or cancellation take place, we may be unable to seek compensation for any surplus products that we manufacture that are unpurchased. As our customers do not typically give these schedules to us until a short time before the products are required from us, we do not hold a significant order book at any time, making it difficult for us to forecast revenue, production volume or sales.

Our customers have high standards for product quality and delivery schedules. Any failure to meet customers' expectations could result in the cancellation or non-renewal of our supply agreements with them. Also, purchase orders are typically subject to conditions such as ensuring that all products delivered to the customer have been inspected and are safe for use. Customers may set off any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by undertaking more work in-house or replace their existing products with alternative products, any of which may have an adverse effect on our business and results of operations.

- 4. We have a tentative timeline for our project of Investment in relation to the new unit set up by our wholly owned subsidiary, Meeta Castings Limited (MCL). In the event of any delay in receiving the orders, or in the event of delay in installation of machineries in a timely manner, or at all, may result in time and cost overruns and our business, prospects and results of operations may be adversely affected.***

We intend to utilize portions of the Net Proceeds for our project of Investment in relation to the new unit set up by our wholly owned subsidiary, Meeta Castings Limited (MCL). For details in respect of the foregoing, see "Objects of the issue" on page 61. While we are proceeding with the tentative timeline mentioned in the "Objects of the issue", such timelines are tentative in nature and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes. In the event of any delay in procuring the order and/or installation of machineries, or an escalation in the cost of acquisition of the equipment or in the event the vendors are not able to provide and/or install the equipment in a timely manner, or at all, we may encounter time and cost overruns.

As on the date of draft prospectus, the Percentage and value terms of the Plant and Machinery for which orders are yet to be placed is approximately Rs. 481.84 lacs i.e. 44.92%. Further, if we are unable to procure and/or install the requisite materials or equipments, we cannot assure you that we may be able to identify alternate entity to provide and/or install the materials or equipments which satisfy our requirements at acceptable prices. Our inability to procure and/or install the machinery and equipment at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations

**5. *Pricing pressure from our customers may adversely affect our gross margin, profitability and ability to increase our prices, which may in turn have a material adverse effect on our results of operations and financial condition.***

We manufacture and supply complex, high-quality precision forged and machined components for the automotive sectors. We have in the past experienced and may continue to experience pressure from our customers to reduce our prices, which may affect our profit margins going forward. In addition, as any price reduction is the result of negotiations and factors that may be beyond our control, we, like other manufacturers, must be able to reduce operating costs and increase operating efficiencies in order to maintain profitability. As our business is very capital intensive, requiring us to maintain a large, fixed cost base, our profitability is dependent, in part, on our ability to spread fixed costs over higher sales volume. However, we may not be able to spread such fixed costs effectively as our customers generally negotiate for larger discounts in price as the volume of their orders increases. If we are unable to offset customer price reductions in the future through improved operating efficiencies, new manufacturing processes, sourcing alternatives and other cost reduction initiatives, our results of operations and financial condition may be materially adversely affected.

**6. *The proceeds from this issue are intended to be utilized for Investment in relation to the new unit set up by our wholly owned subsidiary, Meeta Castings Limited (MCL). This project is yet to be approved by an Appraisal agency.***

Our company plans to utilize the proceeds from the issue for Investment in relation to the new unit set up by our wholly owned subsidiary, Meeta Castings Limited (MCL). We are yet to receive approval from the appraisal agency regarding this project. Any deviation in appraisal outcome from the appraisal agency may force our company to change the projected costings and may push the completion date of the project further which may have a business and financial impact on our overall performance and we may also lose certain customers and market share. This may also impact on the viability of the project and may also reduce the cost-benefit of the project.

**7. *We are yet to renew certain regulatory licenses, registrations and approvals in respect of our business operations. Failure to obtain or maintain licenses, registrations, permits and approvals may severely affect our business and results of operations.***

We are governed by various laws and regulations for our business and operations. We are required, and will continue to require, to obtain and hold relevant licenses, approvals and permits at state and central government levels for carrying our business operations. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Additionally, we will need to apply for renewal of approvals, licenses, registrations and permits, which are subject to expiration in the near future. Furthermore, if the Company wishes to enter into a new line of business or introduce a new product in the market, we would need additional permits and approval which may or may not be granted by the relevant authority amounting to hindrances in new business set up or future plans of the Company.

While we have obtained a number of approvals, licenses, registrations and permits from the relevant authorities. However, any failure to apply for and obtain the required consents and registrations or any cognizance being taken by the concerned authorities for non-registration could result in levy of penalties and other legal proceedings which may adversely affect our business, financial condition, results of operations and prospects. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see Chapter titled “Government and Other Approvals” on page 162 of this Draft Prospectus.

Further, certain licenses and registrations obtained by our Company contain certain terms and conditions, which are required to be complied regularly by us. Any default by our Company in complying with the same, may result in inter alia the cancellation of such licenses, consents and registrations, which may adversely affect our operations. There can be no assurance that the relevant authorities will issue or renew any of such permits or approvals in time or at all. Failure to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

**8. There are certain outstanding legal proceedings involving Our Company. Any failure to defend these proceedings successfully may have an adverse effect on our financial conditions, business, reputation and result of ongoing operations.**

Our Company are involved in certain legal proceedings, which if determined, against us/them could harm our reputation or adversely affect our business, financial condition and results of operations. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate authorities. For details kindly refer chapter titled “*Outstanding Litigations and Material Developments*” on page 156 of this Draft Prospectus.

A brief detail of such outstanding litigations as on the date of this Draft Prospectus are as follows:

**a) Litigations involving our Company**

*i) Cases filed against our Company:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil
Legal Notices	Nil	Nil

*\*To the extent quantifiable*

*ii) Cases filed by our Company:*

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	2	23.74
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Material civil litigations	Nil	Nil

*\*To the extent quantifiable*

**b) Litigations filed against our Promoters**

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	1	Not Quantifiable
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil
Legal Notices	Nil	Nil

*\*To the extent quantifiable*

**c) Litigations filed against our Directors**

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	Nil	Nil
Direct Tax matters	Nil	Nil
Indirect Tax matters	Nil	Nil
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	1	80.00
Legal Notices	Nil	Nil

**d) Litigations filed by our Promoter and Promoter Group**

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (₹ in lakhs)</b>
Criminal matters	Nil	Nil
Direct Tax matters	9	69.14
Indirect Tax matters	1	153.55
Actions taken by regulatory authorities	Nil	Nil
Material civil litigations	Nil	Nil
Legal Notices	Nil	Nil

For further details of Statutory or legal proceedings involving our Company, Directors and Promoters, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page 156 of this Draft Prospectus.

We do not have any patent with respect to our manufacturing processes as on date. Our rights may not prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products. The process of seeking patent protection can be lengthy and expensive. Further, our patent applications may fail to result in patents being issued, and our future patents may be insufficient to provide us with meaningful protection or a commercial advantage.

**9. *Conflicts of interest may arise out of common business undertaken by our Company and our Promoter Company and Promoter Group, Pritika Auto Industries Ltd and Pritika Industries Limited.***

Our Promoter and Promoter Group company, Pritika Auto Industries Ltd and Pritika Industries Limited are authorized to carry similar activities as those conducted by our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Company and our Promoter Company in circumstances where our respective interests diverge. There can be no assurance that our Promoter or our Group Company will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition.

**10. *Our Promoters and certain members of our Promoter Group have extended personal guarantees with respect to various loan facilities availed by our Company. Revocation of any or all of these personal guarantees may adversely affect our business operations and financial condition.***

Our Promoters and certain members of our Promoter Group, have extended personal guarantees in favour of certain banks with respect to various facilities availed by our Company from them. Our financial position and future ability to avail loans are dependent on our promoters to honour the guarantee. There is no guarantee about the willingness and ability of our promoters to honour the said guarantees, which may arise from their financial difficulties, deterioration in their business performance, or a downturn in the global economy. In the event any of these guarantees are revoked, our lenders may require us to furnish alternate guarantees or may demand a repayment of the outstanding amounts under the said facilities sanctioned or may even terminate the facilities sanctioned to us. There can be no assurance that our Company will be able to arrange such alternative guarantees in a timely manner or at all. If our lenders enforce these restrictive covenants or exercise their options under the relevant debt financing agreements, our operations and use of assets may be significantly hampered and lenders may demand the payment of the entire outstanding amount and this in turn may also affect our further borrowing abilities thereby adversely affecting our business and operations. For further details please refer to the chapter titled — “*Financial Indebtedness*” on page 150 of this Prospectus.

**11. *We depend on a few customers of our products, for a significant portion of our revenue, and any decrease in revenues or sales from any one of our key customers may adversely affect our business and results of operations.***

The percentage of Revenue from our top 3 customers in FY22 and FY21 were 99.79% and 99.65% respectively, and for FY20, the percentage of Revenue from our top 2 customers were 99.80%. Our Company is engaged in the business of manufacturing of engineering products. Our business operations are highly dependent on our customers and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations. While we typically have long term relationships with our customers, we have not entered into long terms agreements with our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with our customers and suppliers. The actual sales by our Company may differ from the estimates of our management due to the absence of long term agreements. The loss of one or more of these significant or key customers or a reduction

in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows.

We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future. If there occurs any change in the market conditions, requirements of our customers, or if we fail to identify and understand evolving industry trends, preferences or fail to meet our customers' demands, it might have a direct impact on our revenue and customer base. The inability to procure new orders or expand our customer base on a regular basis or at all may adversely affect our business, revenues, cash flows and operations.

***12. Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our reputation, business and financial condition.***

Certain of our financing arrangements impose restrictions on the utilization of the loan for certain specified purposes only. Moreover, certain of our financing documents contain provisions that may limit our ability to incur future debt and create security and require us to obtain the respective lenders' consent prior to carrying out certain activities and entering into certain transactions. While, as on the date of this Draft Red Herring Prospectus, we have obtained requisite consents from our lenders for undertaking the Offer, failure to obtain requisite consents in the future in a timely manner or at all could have significant consequences on our business, prospects and operations. While we have not breached any covenants in the past, a failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the loans/facilities, imposition of penal interest, appointment of a nominee director by the lender on our Board and enforcement of security. Additionally, working capital facilities availed by us are typically repayable on demand. In the event any or all of our lenders, demand immediate repayment of facilities availed from them, we may be unable to procure alternative financing in a timely manner at acceptable terms.

The lenders may have the right to withdraw their facilities in the event of any change in circumstances, including, any material change in the ownership or shareholding pattern of our Company. Such financing agreements may also require us to maintain certain financial ratios. Certain of our loans can also be recalled by lenders at any time. If the lenders exercise their right to recall a loan, it could have an adverse effect on our reputation, business and financial position.

If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms. Additionally, our cost of borrowing may increase when there is a change in LIBOR rates and a resultant increase in interest rates for our existing loans. These ultimately may have an impact on our business and financial health.

***13. We have incurred significant capital expenditures in the past and there can be no assurance that our past or planned capital expenditures will result in growth and/or additional profitability for our Company.***

Our company has installed capacity of 9600 MT, 12000 MT and 12000 MT in FY20, FY21 & FY22 respectively. We have incurred significant capacity expenditures to increase our manufacturing capacity. The capacity utilization in FY20, FY21 & FY22 was 41%, 44% and 55% respectively.

There is no guarantee or assurance that the unutilized capacity would be utilized in the future to generate additional revenue or profitability for our company.

***14. In the event that any of our contingent liabilities materialise, our financial condition, results of operations and cash flows may be adversely affected.***

As of March 31, 2022, our aggregate contingent liabilities amounted to ₹ 90.50 lacs. The following table sets forth certain information relating to our contingent liabilities as of March 31, 2022:

## Contingent liabilities

(in ₹ lacs)

Particulars	As of March 31, 2022
Letter of credit	90.50
<b>Total</b>	<b>90.50</b>

We cannot assure you that these contingent liabilities shall not become established as liabilities. In the event any of these contingent liabilities become established as liabilities, it may have an adverse effect on our financial condition and results of operations. Further, there can be no assurance that we shall not incur similar or increased levels of contingent liabilities in the future. For further details, see also “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 140.

**15. We depend on our senior management team and other personnel with technical expertise, and if we are unable to recruit and retain qualified and skilled personnel, our business and our ability to operate or grow our business may be adversely affected.**

Our success depends to a large extent on the continued services of our senior management team and other personnel with technical expertise. In an event they no longer work for us, there is no assurance that we will be able to find suitable replacements for such Key Managerial Personnel in a timely manner or at all and implement a smooth transition of responsibilities to any newly appointed management personnel. The market for qualified professionals is competitive and we may not continue to be successful in our efforts to attract and retain qualified people. We may therefore need to increase compensation and other benefits in order to attract and retain personnel in the future, which may adversely affect our results of operations.

We are a technology driven company with significant focus and investment in our in-house engineering capabilities. Our future success, amongst other factors, will depend upon our ability to continue to attract and retain qualified personnel, particularly engineers and other associates with critical expertise, know-how and skills that are capable of helping us develop technologically advanced systems and components and support key customers and products. The specialised skills we require in our industry are difficult and time-consuming to acquire and, as a result, are in short supply. We require a long period of time to hire and train replacement personnel when we lose skilled employees. Our inability to hire, train and retain a sufficient number of qualified employees could delay our ability to bring new products or services to the market and impair the success of our operations. This could have an adverse effect on our business and results of operations.

Our success also depends, in part, on key customer relationships forged by our senior management team. If we were to lose these members of the senior management, we cannot assure you that we will be able to continue to maintain key customer relationships or renew them, which could adversely affect our business, financial condition, results of operations and cash flows.

**16. We have incurred indebtedness. In addition, certain of our financing agreements involve variable interest rates and an increase in interest rates may adversely affect our results of operations and financial condition.**

Our company operates in the industry which is capital intensive in nature, and we fund a large part of our operations through financing from banks. As on March 31, 2022, we had total financial indebtedness of ₹ 2507.67 lakhs. For further information on our secured borrowings, see “*Financial Indebtedness*” on page 150. We usually finance our working capital requirements mainly through our internal accruals and arrangements with banks. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment.

If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets, our financial condition at such time and the terms of our other outstanding debt instruments. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations.

We are susceptible to changes in interest rates and the risks arising therefrom. Certain of our financing agreements provide for interest at variable rates and the lenders are entitled to charge the applicable rate of interest, which is a combination of a base rate/MCLR rate that depends upon the policies of the RBI and a contractually agreed spread. Also see “*Financial Indebtedness*” on page 150 for a description of interest payable under our financing agreements. Further, in recent years, the GoI has taken measures to control inflation, which included tightening the monetary policy by raising interest rates. As such, any increase in

interest rates may have an adverse effect on our business, results of operations, cash flows, and financial condition.

**17. *We have in the past entered into related-party transactions and may continue to do so in the future, which may potentially involve conflicts of interest.***

We have entered into certain transactions with related parties and are likely to continue to do so in the future. For details on our related-party transactions, see “*Other Financial Information – Related Party Transactions*” on page 138. Although all related-party transactions that we may enter into are at arm’s length, as required under the Companies Act and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Such related-party transactions may potentially involve conflicts of interest which may be detrimental to our interest and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition and results of operations.

**18. *Certain of our Promoters, Directors and Key Management Personnel may be interested in us other than in terms of remuneration and reimbursement of expenses, and this may result in conflict of interest with us.***

In future certain of our Promoters, Directors and Key Management Personnel may be interested in us, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and our stock options and benefits arising therefrom. Our Promoter may also be interested in us to the extent of his shareholding in us and any benefits arising therefrom. We cannot assure you that our Promoter, certain of our Directors and Key Management Personnel will exercise their rights as shareholders to our benefit and best interest.

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

The issue proceeds are entirely at the discretion of the issuer/management. As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, as per the Section 177 of the Companies Act, 2013 the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

**20. *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 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 Issue as has been stated in the section “*Objects of the Issue*” on page no. 61 of the Draft Prospectus. The proposed schedule of implementation of the objects of the Issue are 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 this may affect our revenues and results of operations.

**21. *Any default in repayment of deposits or payment of interest thereon by the issuer and subsidiaries, and the roll over of liability may impact our cash flows, financial and business health.***

As on March 31<sup>st</sup>, 2022, we do not have any loans from our Promoter Company on our balance sheet. But during the normal course of business, our wholly owned subsidiary may take a decision to take loans from external borrowers or from our company or from our promoter. This would increase the credit risk of the subsidiary. There is no guarantee that our subsidiary will be able to appropriately use the funds to generate enough returns as expected while taking the debt. There is no guarantee that our subsidiary will be able to service the debt as its business operations may not be able to generate enough cash flows. Any inability to repay debts may lead to a roll over effect of the liability on to our company or to our promoters. Our company or our promoters, may have to service the debts taken by our subsidiary in case of the inability of our subsidiary in servicing its own debts. This may hamper the financial plans of our company or our promoters, as our cash flows may be diverted for repayment of the debt of our subsidiary, which may impact our financial and business performance.

**22. *Development of technologically advanced products involves a lengthy and expensive process with uncertain timelines and outcomes. We may be unsuccessful in innovating or developing technologically advanced products or may be unable to add to our existing capabilities, which could adversely affect our business, results of operations and cash flows.***



Our future growth depends on our ability to continue to develop and commercialize innovative, viable and sustainable new automotive systems and components in a timely and cost-effective manner. The development and commercialization of new products is complex, time-consuming and costly, and its outcome is inherently uncertain. The automotive industry is characterized by rapid and frequent advancements in technology and changes in market demand can often render existing technologies and equipment obsolete and could require substantial new capital expenditures. Due to the long lead times associated with development for many of the technologically advanced automotive systems and components, as well as the competitive advantage that can come from being the initial developer of a new product, it is important that we maintain a sufficiently large portfolio of systems and components and a product pipeline and manage their development processes so as to bring our systems and components to market on a timely basis. The launch of a new product is a complex process, the success of which depends on a wide range of factors, including the production readiness of our manufacturing facilities and manufacturing processes and those of our suppliers, as well as factors related to tooling, equipment, employees, initial product quality and other factors. Production shortfalls or production delays, if any, or our inability to accurately estimate the cost to design, develop and launch new products could result in our failure to effectively manage our manufacturing costs relating to these product program launches. If we are unable to bring enough products to market, or if products are brought to market after competing products are commercialized, our growth strategy may not be successful, and our business would be adversely affected.

We are dependent on the success of our design and engineering team and the failure to develop new or improved products or process improvements or production techniques could adversely affect our business, financial condition and results of operations and have a negative effect on our competitive position.

***23. Any failure to adapt to industry trends and evolving technologies to meet our customers' demands may materially adversely affect our business and results of operations.***

Changes in consumers' preferences, regulatory or industry requirements, or competitive technologies may render certain of our products obsolete or less attractive.

We could also face competition for potential future revenue streams if our competitors are able to commercialise certain innovations before we can do so. We may have to procure a license for the technology, which may not be available on reasonable terms, if at all, and may significantly increase our operating expenses or may require us to restrict our business activities in one or more respects. As a result, we may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If we fail to develop sufficient revenue streams covered by adequately robust intellectual property rights, we could lose market share and revenues to competitors. Any of these developments, alone or in combination, may have a material adverse effect on our business, results of operations and financial condition.

***24. We may be subject to reputational risks due to any dissatisfaction in the product quality or delivery commitments mismanagement. If our products does not meet our customers' expectations, we may face reputational risk which may become hard for our company to recover from.***

Our products may contain quality issues or undetected errors or defects, especially when first introduced, resulting from the design or manufacture of the product or raw materials used in the product. While we test for quality on a sample basis, we cannot assure you that all products would meet the quality standards. We may be asked to replace such products, in the event that our products fail to meet the required quality standards. Further, if any of the products sold by us fail to comply with quality standards, it may result in customer dissatisfaction, which may have an adverse impact on our business, sales and results of operations. We may fail to acquire new customers because of loss of reputation which may have a long term impact on our business performance. We may make efforts to recover our loss of reputation through various marketing campaigns or public relations efforts which may increase our costs and affect our bottom line, and that may also not assure us any recovery of reputation.

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

Our Company is engaged in business of manufacturing which attracts tax liability such as Goods and Service tax, Income tax, and professional tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund and Employee State Insurance. 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.

***26. There have been instances of delays of certain forms which were required to be filed as per the reporting Requirements under the Companies Act, 2013 to RoC.***

In the past, there have been certain instances of delays in filing statutory forms, such as Forms DIR-12 as per the reporting requirements Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC. Company has also filed Form MGT-7, DPT-3 and AOC-4 under Companies Fresh Start Scheme, 2020 (“CFSS Scheme”).

- 27. We depend on third parties with whom we do not have long-term supply contracts for the supply of raw materials. A loss of suppliers or interruptions in the delivery of raw materials or volatility in the prices of raw materials on which we rely may have a material adverse effect on our business and results of operations.**

	% of Cost of Materials Consumed		
	FY22	FY21	FY20
<b>Top 5</b>	40.19%	64.13%	35.12%
<b>Top 10</b>	61.35%	89.44%	50.36%

The percentage of Cost of Materials Consumed from our top 5 suppliers were 40.19%, 64.13% and 35.12% in FY22, FY21 and FY20 respectively, and from our top 10 suppliers were 61.35%, 89.44% and 50.36% in FY22, FY21 and FY20 respectively.

We are dependent on third party suppliers for the supply of our raw materials and assembled components. Our ability to identify and build relationships with reliable suppliers contributes to our growth and our successful management of our inventory as well as other aspects of our operations. In the absence of long-term contracts, we cannot assure you that a particular supplier will continue to supply our products in the future. Further, there can be no assurance that increased demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. Any change in the supply pattern of our raw materials can adversely affect our business and results of operations. Discontinuation of production by our suppliers, a failure by any of our suppliers to adhere to any delivery schedule or a failure to provide materials of the requisite quality could also hamper our production schedule and affect our business. If we were to experience a significant or prolonged shortage of raw materials from any of our suppliers and cannot procure the raw materials from other sources, we may be unable to meet our production schedules for our products and ship such products to our customers in timely fashion, which may adversely affect our customer relations and reputation. We may also be required to replace a supplier if its products or services do not meet our safety, quality or performance standards or if a supplier unexpectedly discontinues operations due to reasons beyond its or our control, including financing constraints caused by credit market conditions.

In addition, prices of certain raw materials we rely on, such as CRC Scrap, MS Scrap, Turning Scrap, Cast Iron & Pig Iron, are linked to commodity markets and thus subject to fluctuation. There can be no assurance that the prices for these products will not be volatile in the future. While in practice we have passed the increase in the cost of raw materials onto our domestic customers, our cash flows may still be adversely affected due to any gap in time between the date of procurement of those raw materials and the date on which we can reset the component prices for our customers so as to account for the increase in the prices of such raw materials. In addition, we may not be able to pass all of our raw material price increases to our customers. Our ability to adjust pricing terms with customers varies based on our specific customer relationships, market practice with respect to the particular raw material or component and other factors such as raw material content and whether medium-term price fluctuations have been factored into our component prices at the time of price finalisation.

- 28. Information relating to the installed capacity and capacity utilisation included in this Draft Prospectus is based on various assumptions and estimates and capacity utilisation may vary**

Information relating to the installed capacity and capacity utilisation included in this Draft Prospectus are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our installed capacity and capacity utilisation. Future capacity utilisation rates may vary significantly from the estimated production capacities of our manufacturing facilities and historical capacity utilization rates. In addition, capacity utilisation is calculated differently in different countries, industries and for the different kinds of products we manufacture. Undue reliance should therefore not be placed on our historical installed capacity and capacity utilisation for our existing manufacturing facilities included in this Draft Prospectus. Please refer chapter titled “Our Business” – Installed Capacity and Capacity Utilisation by Product Family on page 87.

- 29. We are exposed to counterparty credit risk of our customers and any significant delay in receiving payment or non-receipt of payments may have a material adverse effect on our results of operations.**

We are exposed to counterparty credit risk of our customers and any significant delay in receiving payments or non-receipt of payments may have a material adverse effect on our results of operations, financial

condition and cash flows. There is no assurance that we will accurately assess the creditworthiness of our customers. Macroeconomic conditions, such as a credit crisis in the global financial system or global economic uncertainty, or a pandemic, such as the COVID- 19 pandemic, could lead to deterioration in our customers financial condition and results of operations, which could limit their access to the credit markets, which in turn may worsen their creditworthiness and may impact their ability to process our payments. Such conditions could cause our customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which may increase our receivables. For details on the ageing of trade receivables, please refer the chapter titled “*Financial Statements*” Note 9 Trade Receivables on page 137. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which may have a material adverse effect on our results of operations and cash flows and our credit risk also increases.

**30. *A substantial portion of our assets are hypothecated or mortgaged in favour of lenders as security for some of our fund-based and non-fund-based borrowings. Our lenders may enforce the security in the event of our failure to service our debt obligations which may adversely affect our business, financial condition and results of operations.***

As of March 31, 2022, we had total secured fund and non-fund-based borrowings of ₹ 2507.67 lacs. These borrowings are secured, among others, through a charge by way of hypothecation on our present and future current assets and fixed assets as well as through mortgage on our land and buildings. Please refer the chapter titled “*Financial Indebtedness*” on page 150. As these assets are hypothecated or mortgaged, our rights in respect of transferring or disposing of these assets are restricted. Further, in the event we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, financial condition and results of operations may be adversely affected.

**31. *Our operations are subject to environmental, health and safety laws, which could result in material liabilities in the future.***

We are subject to applicable laws and regulations and customer specifications with respect to the protection of the environment and employee health and safety in each of the jurisdictions in which we operate. Our manufacturing processes and products are subject to stringent quality and safety standards and new laws and regulations may be imposed from time to time that may increase our compliance costs or restrict our operations. There can be no assurance that these requirements will not become more stringent over time.

**32. *A decline in the financial condition and results of operations of our customers could have a material adverse effect on our business, results of operations and cash flows.***

The financial condition and results of operations of our customers is affected by the sales of their products to their respective customers, which may be impacted by several factors, including general economic conditions and the COVID-19 pandemic. Any material weakening of the sales of our material customers could directly impact our business due to the potential postponement or cancellation of their planned purchases or the potential delay of their designs of new platforms.

**33. *We are dependent on third parties for the transportation and timely delivery of our products to customers***

We rely on third parties for the transportation services for the timely delivery of our products to our customers located in India. Our domestic operations use road transportation. Therefore, we face a risk that there could be deficiency or interruption in these third-party services.

**34. *Any failure to compete effectively in the highly competitive precision components industry could have a material adverse effect on our business, financial condition, results of operations and cash flows.***

We face competition in India, which is based on many factors, including product quality and reliability, breadth of product range, product design and innovation, technology, manufacturing capabilities, distribution channels, scope and quality of service, price and brand recognition. We compete with global competitors to retain our existing business as well as to acquire new business. Some of our competitors may have certain advantages, including greater financial, technical and/ or marketing resources, which could enhance their ability to finance acquisitions, fund international growth, respond more quickly to technological changes and/ or operate in more diversified geographies and product portfolios

In addition, we face increasing competition across our product portfolio. Some of our competitors may be able to produce similar or equivalent products at lower costs than we can produce them. Additionally, we face competitive price pressures from lower-cost manufacturers and we expect such price pressures to increase as our customers continue to expand their manufacturing footprints in emerging markets, thereby providing opportunities for local manufacturers to compete. Accordingly, we may not be able to compete

effectively with our competitors, which may have an adverse effect on our business, financial condition, results of operations and cash flows.

Further, manufacturers that do not currently compete with us could expand their product portfolios to include products that would compete directly with ours. Changes in the product focus of larger manufacturers could also result in such manufacturers establishing relationships with our customers that may reduce or entirely replace our business with those customers. In addition, certain key customers to whom we currently sell certain products could decide to compete with us as manufacturers of these products. Any of these factors could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***35. Our estimates of production volumes may not correspond to the actual demand for our products.***

We estimate our production volumes based on close customer dialogue, purchase orders, historical production volumes by our customers, our experience and general economic and market conditions. However, we are unable to assure that the demand for our products will develop in line with our estimates. The actual demand for our products for a few of our customers has varied significantly from their estimated sales volumes in the past. There is no assurance that we will be able to plan our production schedules to meet the actual requirements. In addition, regardless of the accuracy of such indicators, factors outside our control may require revision of our estimates. If we over-estimate the volume of products we expect to sell, we will have excess production capacity which may reduce operational efficiency and the margins on the products sold. If we underestimate the volume of products we need to produce at any of our manufacturing facilities, or fail to order a sufficient volume of supplies and input materials from our third-party suppliers, we may be unable to meet customer orders, which may affect our reputation or lead to a discontinuation of future orders from customers. In some cases, our customers have required a rapid increase in production, which placed an excessive burden on our resources and caused a material increase in costs.

***36. We might unintentionally infringe upon the intellectual property rights of others, any misappropriation of which could harm our competitive position***

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty as to whether we are infringing on any existing third-party intellectual property rights. We may therefore be susceptible to claims from third parties asserting infringement and other related claims. If claims or actions are asserted against us, we may be required to obtain a licence, modify our existing technology or cease the use of such technology and design a new non-infringing technology. Such licences or design modifications can be extremely costly. Furthermore, necessary licences may not be available to us on satisfactory terms, if at all. In addition, we may decide to settle a claim or action against us, the settlement of which could be costly. We may also be liable for any past infringement. Any of the foregoing could adversely affect our business and results of operations.

In certain cases, our customers share their intellectual property rights in the course of the product development process that we carry out for them. If our customers intellectual property rights are misappropriated by our employees in violation of any applicable confidentiality agreements, our customers may seek damages and compensation from us. This could have an adverse effect on our business, results of operations and damage our reputation and relationships with our customers.

***37. Any shutdown of our manufacturing facilities may have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing facilities are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, industrial accident, labour disputes, natural disasters, epidemics or pandemics, such as the COVID-19 pandemic, and the need to comply with the directives of relevant government authorities. The assembly lines of our customers rely significantly on the timely delivery of our components and our ability to provide an uninterrupted supply of our products is critical to our business. Our customer relationships, business and results of operations may be adversely affected by any disruption of operations of our product lines, including as a result of any of the factors mentioned above. Any shutdown or operational failure of our manufacturing facilities may also result in a reduction in the capacity utilisation levels at our manufacturing facilities, which may have an adverse effect on our results of operations.

***38. If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. Any dilution or deficiency in our internal control system may expose us to additional risks.

***39. We cannot assure payment of dividends on the Equity Shares in the future.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and subsequent approval of Shareholders and will depend on factors that our Board of Directors and Shareholders deem relevant, including among others, our future earnings, financial condition, cash flows, capital requirements, capital expenditures, business prospects and restrictive covenants under our financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on the Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future. For further information, please refer the chapter titled “*Dividend Policy*” on page 136.

**40. *We are not a publicly listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public.***

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

Further, as a publicly listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. It may also result to additional expenses

**41. *We may be unable to grow our business in additional geographic regions or international markets, which may adversely affect our business prospects and results of operations.***

Our Company seeks to grow its market reach domestically to explore untapped markets and segments; however, we cannot assure you that we will be able to grow our business as planned. Infrastructure and logistical challenges in addition to the advancement of research and development in the automobile industry, changing customers’ taste and preferences may prevent us from expanding our presence or increasing the penetration of our products. Further, customers may be price conscious and we may be unable to compete effectively with the products of our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

Further, expansion into new international markets is important to our long-term prospects. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, in addition to our limited experience with such markets and currency exchange rate fluctuations. International markets require a very high standard of quality of products and our Company may not be able to match the international standards thereby failing to make a brand presence in the international markets. If we are unable to make long-lasting relations with the major customers in the overseas market or if we are unable to justify the quality of our products to them, it may make it difficult for us to enter into such markets. These and other risks, which we do not foresee at present, could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

## **EXTERNAL RISK FACTORS**

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (“GST”) regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure. Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the amendment of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST.

**43. *The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have impacted our industry and to a certain extent, our business, results of operations, financial condition and cash flows and its further impact will depend on future developments, which are highly uncertain.***

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses, including the industry in which our Company operates and from where it derives substantial revenues and profits. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period of time. In view of the onslaught of the third wave of the virus and the likelihood of a fourth wave, this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe.

Since the onset of the COVID-19 pandemic in March 2020, our Company's operations have been affected as our employees faced the threat of getting infected. To prevent the spread of Covid-19 and to comply with the restrictions, we had to temporarily suspend our operations in order to follow the Government's norms. We continuously monitored the economic conditions and have outlined sufficient measures to combat the pandemic situation at our business premises. Once the lockdown was lifted, our operations restarted in full swing. Initially we did find a little hiccup in finding workers but because of our enterprising organization, we were able to source quality workforce and we were able to train them and we restarted our operations. After lifting the lockdown and resuming our operations the demand in our industry abruptly increased from the different sectors and we attained the highest production during the partial year 2020-21 and FY 2021-22. The demand after pandemic ultimately nullified the impact of shutdown during COVID 19 pandemic.

Further, if in case due to any fourth or consequent wave of Coronavirus or surge in new and deadly variants of the Virus, if another lockdown is imposed in the country and further restrictions are imposed by the government, we may face huge losses and our business operations could be severely impacted. Any such restrictions could cause delays in the completion of our orders and commitments made to clients, or cause damage to the goods in transit. Any of these consequences may result in loss of business and/or claims for compensation from our clients, which may have an adverse effect on our results of operations and financial condition. Also, see "*Restated Financial Statements*" on page 137 of this Draft Prospectus.

**44. *Financial instability in other countries may cause increased volatility in Indian financial markets and, directly or indirectly, adversely affect the Indian economy and our business, financial condition, results of operations and cash flows.***

The Indian financial markets and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and emerging economies in Asia. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian financial markets. Although economic conditions vary across markets, a loss of investor confidence in one emerging market may cause increased volatility in other emerging markets, including the Indian financial markets. Therefore, financial instability in other countries may cause increased volatility in Indian financial markets and, directly or indirectly, have an adverse effect on the Indian economy and our business, financial condition, results of operations and cash flows.

**45. *Political instability, changes in economic policy, changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business, financial condition and results of operations.***

Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. For further details of the laws currently applicable to us, please refer the chapter titled "*Key Regulations and Policies*" on page no. 103.

There can be no assurance that the Government of India will not implement new regulations and policies that would require us to obtain approvals and licences from the Government of India and other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

In addition, unfavourable changes in, or interpretations of, (or the promulgation of) existing or new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may require management time and other resources, and any failure to comply may adversely affect our business and results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or changes in, governing laws, regulations or policies, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming and costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, it could increase our tax payments (prospectively or retrospectively) and/ or subject us to penalties. As a result, any such changes or interpretations could have an adverse effect on our business, financial condition and results of operations.

***46. Terrorist attacks, civil disturbances and regional conflicts involving India may have an adverse effect on our business, results of operations and the price of the Equity Shares.***

India has, from time to time, experienced social and civil unrest within the country and hostilities with neighbouring countries. There have been continuing tensions between India and Pakistan over the states of Jammu and Kashmir. In the past there were armed conflicts over parts of Kashmir. Isolated troop conflicts and terrorist attacks continue to take place in these regions. In addition, in June 2020, a confrontation occurred between Indian and Chinese military forces. These hostilities and tensions could lead to political or economic instability in India, which may have an adverse effect on our business, results of operations and the price of the Equity Shares. In addition, any further hostilities and tensions could result in investors attaching a higher risk premium to shares of Indian companies, which could have an adverse effect on the price of the Equity Shares.

India has witnessed localized terrorist attacks in the recent past, including, among others, the terrorist attacks in Pulwama in 2019, in Pathankot and Uri in 2016, in Mumbai in 2011 and 2008 and in New Delhi in 2011. Any further terrorist attack in India could result in investors attaching a higher risk premium to shares of Indian companies, which could have an adverse effect on the price of the Equity Shares.

***47. If inflation rises in India, increased costs may result in a decrease in our profits.***

Increasing inflation in India could cause the costs of rent, wages, raw materials and other expenses to rise. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

***48. The occurrence of natural disasters may adversely affect our business, financial condition, results of operations and cash flows.***

The occurrence of natural disasters, including hurricanes, floods, tsunamis, earthquakes, tornadoes, fires and explosions, could damage or destroy one or more of our manufacturing facilities and adversely affect our business, financial condition and results of operations and cash flows.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction. Further, our Company's Articles of Association, composition of our Company's Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as a shareholder in an Indian company than as a shareholder of an entity in another country or jurisdiction.

## **RISKS RELATING TO THE OFFER AND THE EQUITY SHARES**

***50. Investors may be subject to Indian taxes arising out of the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realised on

the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("STT"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on the seller and/or the purchaser of the Equity Shares and collected by the domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realised on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India as well as STT.

No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020 and, accordingly, such dividends would not be exempt in the hands of the shareholders, both for residents as well as non-residents. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action, including dividends.

Similarly, any business income realised from the transfer of equity shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, taxes payable by an assessee on the capital gains arising from transfer of long-term capital assets (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹ 100,000, subject to certain exceptions in case of resident individuals and Hindu Undivided Families.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and clarified that, in the absence of a specific provision under an agreement, the buyer will be liable to pay stamp duty in case of sale of securities through stock exchanges, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis, is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments were notified on December 10, 2019 and have come into effect from July 01, 2020.

***51. Fluctuations in the exchange rate between the Rupee and other currencies could have an adverse effect on the value of the Equity Shares in those currencies, independent of our results of operations.***

The Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Rupees. Any adverse movement in currency exchange rates during the time it takes to undertake such conversion may reduce the net dividend received by investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by investors. The exchange rate between the Rupee and other currencies (such as the U.S. dollar, the Euro, the pound sterling, the Hong Kong dollar and the Singapore dollar) has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our results of operations.

***52. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/ Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six Working Days from the Bid/ Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, financial condition or results of operations may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.



## SECTION IV – INTRODUCTION

### THE ISSUE

Following table summarizes the present Issue in terms of this Draft Prospectus:

Particulars	Details of Equity Shares
Issue of Equity Shares <sup>1)2)</sup>	Upto 35,00,000 Equity Shares of face value of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [•] per Equity Share aggregating to ₹ [•] lacs. <sup>2)</sup>
<i>of which:</i>	
Market Maker Reservation Portion	Issue of [•] Equity Shares having face value of ₹10 each at a price of ₹ [•] per Equity Share aggregating ₹ [•] lakhs
Net Issue to Public <sup>3)</sup>	Issue of [•] Equity Shares having face value of ₹10 each at a price of ₹ [•] per Equity Share aggregating ₹ [•] lakhs
<i>of which:</i>	
	[•] Equity Shares having face value of ₹10 each at a price of ₹ [•] per Equity Share aggregating ₹ [•] lakhs will be available for allocation to Retail Individual Investors
	[•] Equity Shares having face value of ₹10 each at a price of ₹ [•] per Equity Share aggregating ₹ [•] lakhs will be available for allocation to other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
<b>Pre and Post-Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	76,34,515 Equity Shares
Equity Shares outstanding after the Issue	[•] Equity Shares
Use of Net proceeds of this Issue	Please refer the chapter titled “ <i>Objects of the Issue</i> ” on page 61 of this Draft Prospectus.

<sup>1)</sup> This Issue is being made in terms of Regulation 253(2) of Chapter IX of the SEBI (ICDR) Regulations. For further details, please refer to section titled “Issue Information” on page 174 of this Draft Prospectus.

<sup>2)</sup> The present Issue has been authorised pursuant to a resolution passed by our Board at its meeting held on June 29, 2022 and by our Shareholders by way of a special resolution passed pursuant to Section 62(1) (c) of the Companies Act, 2013 at the EGM held on July 20, 2022.

<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

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.*

For further details please refer to the chapter titled “Issue Structure” beginning on page 182 of this Draft Prospectus.

## SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary financial information of our Company derived from the Restated Financial Information as at and for the Financial Years ended on March 31, 2022, 2021 and 2020. The Restated Financial Information referred to above is presented under the section titled “Financial Information” on page 137. The summary financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the sections titled “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 137 and 140 respectively.

S. No.	Details	Page Number
1.	Summary of Financial Information	SF-1 to SF-3

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**Pritika Engineering Components Limited**  
**(Formerly Known as Pritika Engineering Components Private Limited )**  
**CIN NO. U28999PB2018PTC047462**  
**C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055**  
**Annexure :-I : Restated Statement of Assets and Liabilities**

(All amounts in Lakhs)

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
<b>I. ASSETS</b>				
<b>1. Non Current Assets</b>				
(a) Property, Plant and Equipment	3	4,099.73	3,292.90	1,650.04
(b) Capital work in progress	3	142.52	221.61	999.43
(c) Financial Assets				
- Investments	4	0.06	265.33	168.75
- Other financial assets	5	15.00	15.00	-
(d) Deferred Tax Assets	6	1.90	1.90	1.90
(e) Other Non-Current Assets	7	5.31	6.20	7.08
<b>Total Non Current Assets (A)</b>		<b>4,264.52</b>	<b>3,802.94</b>	<b>2,827.20</b>
<b>2. Current Assets</b>				
(a) Inventories	8	1,021.32	967.20	555.75
(b) Financial Assets				
- Trade Receivables	9	1,399.16	487.78	505.74
-Cash and Cash Equivalents	10	23.24	8.16	2.85
-Bank balances other than cash and cash equivalents	11	75.41	84.67	43.86
-Other Current Financial Assets	12	273.74	133.40	90.40
(c) Other Current Assets	13	49.97	104.76	108.24
(d) Current Tax Assets ( Net)	13(f)	-	5.38	0.34
<b>Total Current Assets (B)</b>		<b>2,842.84</b>	<b>1,791.35</b>	<b>1,307.18</b>
<b>TOTAL ASSETS ( A+ B)</b>		<b>7,107.36</b>	<b>5,594.29</b>	<b>4,134.38</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
(a) Equity Share Capital	14	763.45	763.45	499.99
(b) Other Equity	15	889.17	498.68	38.81
<b>Total Equity (A)</b>		<b>1,652.62</b>	<b>1,262.13</b>	<b>538.80</b>
<b>2. Non Current Liabilities</b>				
(a) Financial Liabilities				
- Borrowings	16	1,692.79	1,668.52	1,657.18
(b) Provisions	17	-	-	-
(c) Deferred Tax Liabilities	18	25.79	23.52	3.46
(d) Other non-current Liabilities	19	1,731.61	1,234.97	1,014.47
<b>Total Non Current Liabilities ( B)</b>		<b>3,450.19</b>	<b>2,927.01</b>	<b>2,675.11</b>
<b>3. Current Liabilities</b>				
(a) Financial Liabilities				
- Borrowings	20	814.88	528.19	365.81
-Trade Payables	21	-	-	-
Total outstanding dues of micro and small enterprises		708.75	368.75	203.10
- Other Financial Liabilities	22	412.29	498.34	345.19
(b) Other Current Liabilities	23	37.40	9.87	6.37
(c) Current tax liability	24	31.23	-	-
<b>Total Current Liabilities ( C)</b>		<b>2,004.55</b>	<b>1,405.15</b>	<b>920.47</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>7,107.36</b>	<b>5,594.29</b>	<b>4,134.38</b>

Summary of Notes and Significant accounting policies  
The accompanying notes form an integral part of these financial statements

As per our report of even date

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Regn No. 003645N

Sd/-  
CA Sunil Kumar Gupta  
Partner  
Membership No.: 082486

Place: Mohali  
Date: 18-07-2022  
ICAI UDIN NO. : 22082486ANQEHO5844

For and on behalf of Board of Directors

Sd/-  
Harpreet Singh Nibber  
(Director)  
DIN No. 00239042

Sd/-  
Ajay Kumar  
(Director)  
DIN No. 02929113

Place: Mohali  
Date: 18-07-2022

**Pritika Engineering Components Limited**  
**CIN NO. U28999PB2018PTC047462**  
**C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055**  
**Annexure :-II : Statement of Restated Profit and Loss**

Particulars	Note	(All Amount in Lakhs )		
		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	25	5,360.75	3,207.16	2,167.84
II Other Income	26	378.83	37.20	4.56
<b>III Total Income ( I+II)</b>		<b>5,739.58</b>	<b>3,244.36</b>	<b>2,172.40</b>
<b>IV Expenses</b>				
a) Cost of material consumed	27	3,472.90	2,045.03	1,279.89
b) Changes in inventories of finished goods , Work in progress and stock in trade	27(a)	(174.18)	(239.04)	(39.74)
c) Employee benefits expense	28	297.92	169.56	172.65
d) Finance costs	29	219.34	190.53	169.59
e) Depreciation and amortization expense	30	206.36	104.12	78.17
f) Other Expenses	31	1,130.08	915.93	496.91
<b>Total Expenses (IV)</b>		<b>5,152.42</b>	<b>3,186.13</b>	<b>2,157.47</b>
<b>V Profit/(Loss) before exceptional items and tax</b>		<b>587.16</b>	<b>58.23</b>	<b>14.93</b>
VI Exceptional Items		-	-	-
VII Profit/ (Loss) before tax		<b>587.16</b>	<b>58.23</b>	<b>14.93</b>
<b>VIII Tax Expense:</b>				
a) Current Tax	33	38.72	-	-
b) Deferred Tax	33	2.27	20.05	1.18
<b>Total tax expenses ( VIII )</b>		<b>40.99</b>	<b>20.05</b>	<b>1.18</b>
<b>IX Profit/ (Loss ) for the period from continuing Operations</b>		<b>546.17</b>	<b>38.18</b>	<b>13.75</b>
<b>X Other comprehensive income</b>				
Items that will not to be reclassified to profit or loss		-	-	-
Impact of fair valuation of Equity Shares		(155.68)	0.15	28.13
<b>XI Total comprehensive income for the period ( IX - X )</b>		<b>390.49</b>	<b>38.33</b>	<b>41.88</b>
<b>Earnings per equity share( Nominal value of Rs. 10/- per share )</b>				
Basic	32	7.15	0.60	0.27
Diluted	32	7.15	0.60	0.27
Summary of Notes and Significant accounting policies	1-2			
The accompanying notes form an integral part of these financial statements				

As per our report of even date

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Regn No. 003645N

Sd/-  
CA Sunil Kumar Gupta  
Partner  
Membership No.: 082486

Place: Mohali  
Date: 18-07-2022  
ICAI UDIN NO. : 22082486ANQEHO5844

For and on behalf of the Board of directors

Sd/-  
Harpreet Singh Nibber  
( Director )  
DIN No. 00239042

Sd/-  
Ajay Kumar  
( Director )  
DIN No. 02929113

Place: Mohali  
Date: 18-07-2022

**Pritika Engineering Components Limited**  
**CIN NO. U28999PB2018PTC047462**  
**C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055**  
**Annexure :-III : Restated Statement of Cash Flows**

(All Amount in Lakhs )

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax as per statement of Profit & Loss	587.16	58.23	15.14
<b>Adjustments for:</b>			
- Depreciation and amortisation expense	206.36	104.12	78.17
- Finance costs	219.34	190.53	169.59
- Gain on sale of Investment	(366.21)	(27.57)	-
<b>Operating profit before working capital changes</b>	<b>646.65</b>	<b>325.31</b>	<b>261.90</b>
<b>Adjustments for :</b>			
Increase/(Decrease) in Trade Payables	340.00	165.65	(99.14)
Increase/(Decrease) in Other Current Liabilities	108.62	215.50	(103.67)
(Increase) / Decrease in Trade Receivables	(911.37)	17.96	4.46
(Increase) / Decrease in Inventories	(54.12)	(411.45)	(58.71)
(Increase)/ Decrease in Other Current Assets	(84.67)	(58.84)	86.43
<b>Cash generated from operations</b>	<b>45.11</b>	<b>254.13</b>	<b>91.27</b>
Taxes paid	-	-	(1.90)
<b>Net Cash from Operating Activities</b>	<b>45.11</b>	<b>254.13</b>	<b>93.16</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant & Equipment	(933.09)	(1,090.90)	(398.50)
(Purchase)/Sale of Shares	497.11	53.10	(140.63)
Movement in fixed deposits (having original maturity of more than three months)	9.26	(40.81)	(2.51)
<b>Net Cash used in Investing Activities</b>	<b>(426.72)</b>	<b>(1,078.61)</b>	<b>(541.64)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long Term Loans Raised (Net )	410.73	339.85	506.40
Short term loan Raised (Net )	205.30	(4.52)	112.19
Share Capital issued including premium	-	685.00	-
Interest Paid	(219.34)	(190.53)	(169.59)
<b>Net Cash from Financing Activities</b>	<b>396.69</b>	<b>829.80</b>	<b>449.00</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>15.08</b>	<b>5.31</b>	<b>(2.27)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>8.16</b>	<b>2.85</b>	<b>5.12</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>23.24</b>	<b>8.16</b>	<b>2.85</b>

**Notes:**

- 1.) The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 03 "Statement of Cash Flow".
- 2.) Figures in bracket indicates cash outflow

As per our report of even date

For and on behalf of the Board of Directors of

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Regn No. 003645N

Sd/-  
CA Sunil Kumar Gupta  
Partner  
Membership No.: 082486

Sd/-  
Harpreet Singh Nibber  
( Director )  
DIN No. 00239042

Sd/-  
Ajay Kumar  
( Director )  
DIN No. 02929113

Place: Mohali  
Date: 18-07-2022  
ICAI UDIN NO. : 22082486ANQEHO5844

Place: Mohali  
Date: 18-07-2022

## GENERAL INFORMATION

Our Company was incorporated as ‘Pritika Engineering Components Private Limited’ as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Chandigarh on 20<sup>th</sup> February, 2018. Pursuant to a special resolution of our Shareholders passed in the extra-ordinary general meeting held on 16<sup>th</sup> April, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to ‘Pritika Engineering Components Limited’, and a fresh certificate of incorporation dated 21<sup>st</sup> April, 2022 was issued to our Company by the Registrar of Companies, Chandigarh. The corporate identification number of our Company is U28999PB2018PLC047462.

### Registered Office of our Company

#### Pritika Engineering Components Limited

Plot No.C-94, Phase-VII, Industrial Focal Point,  
S.A.S Nagar, Mohali, Punjab- 160055

**Telephone:** + 0172-5008900, 5008901

**E-mail:** pecl@pratikagroup.com

**Investor grievance id:** compliance.pecl@pratikagroup.com

**Website:** www.pritikaengineering.com

**CIN:** U28999PB2018PLC047462

### Registrar of Companies

Our Company is registered with the Registrar of Companies, Chandigarh situated at the following address:

#### Registrar of Companies, Chandigarh

1<sup>st</sup> Floor, Corporate Bhavan,  
Plot No.4-B, Sector 27-B,  
Chandigarh, Pin- 160019

### Board of Directors of our Company

Set forth below are the details of our Board of Directors as on the date of this Draft Prospectus:

S. No.	Name	Designation	DIN	Address
1.	Raminder Singh Nibber	Non-Executive Director & Chairman	00239117	H.No.1021, Phase 4, Mohali, SAS Nagar, Punjab-160059
2.	Harpreet Singh Nibber	Managing Director	00239042	H.No.1021, Phase 4, Mohali, SAS Nagar, Punjab-160059
3.	Ajay Kumar	Non-Executive Director	02929113	H.No.252, Sector 80, S.A.S Nagar, Punjab, 140308
4.	Subramaniam Bala	Non-Executive Independent Director	00461697	H. No. 430, Sector 9, Panchkula, Haryana, 134113
5.	Neha	Non-Executive Independent Director	08109734	H. No. 04, Nehra Farm House, Kansal Enclave Road, Village Khuda Alisher, Chandigarh, 160011
6.	Bishwanath Choudhary	Non-Executive Independent Director	02313294	Flat 8 F, Block 7, Prasad Exotica, 71/3, Canal Circular Road, Kolkata - 700054

For detailed profile of our Directors, please refer to the chapter titled “Our Management” on page 114 of the Draft Prospectus.

### Chief Financial Officer

Mr. Narinder Kumar Tyagi, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

Plot No.C-94, Phase-VII, Industrial Focal Point,  
S.A.S Nagar, Mohali, Punjab- 160055

**Telephone:** +91 9915129383

**E-mail:** ntyagi@pratikagroup.com

## **Company Secretary and Compliance Officer**

Mr. Chander Bhan Gupta, is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder.

Plot No.C-94, Phase-VII, Industrial Focal Point,  
S.A.S Nagar, Mohali, Punjab- 160055

**Telephone:** +91 9878723399

**E-mail:** compliance.pecl@pritikagroup.com

## **Investor grievances**

**Applicants can contact the Compliance Officer or the Lead Manager or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange / SEBI shall be forwarded to the Lead Manager, who shall respond to the same.**

Applicants may contact the Lead Manager for complaints, information or clarifications pertaining to the Issue.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, ASBA Form number, Applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

## **Details of Key Intermediaries pertaining to this Issue of our Company:**

### **Lead Manager**

#### **GYR Capital Advisors Private Limited**

428, Gala Empire, Near JB Tower,

Drive in Road, Thaltej,

Ahemdabad-380 054,

Gujarat, India.

**Telephone:** +91 8777564648

**Facsimile:** N.A.

**Email ID:** info@gyrcapitaladvisors.com

**Website:** www.gyrcapitaladvisors.com

**Investor Grievance ID:** investors@gyrcapitaladvisors.com

**Contact Person:** Mohit Baid

**SEBI Registration Number:** INM000012810

**CIN:** U67200GJ2017PTC096908

### **Registrar to the Issue**

#### **Satellite Corporate Services Private Limited**

A 106 & 107, Dattani Plaza,

East West Compound, Andheri Kurla Road,

Safed Pul, Sakinaka, Mumbai, Maharashtra– 400072

**Contact Person:** Michael Norbert Monteiro, Director

**Tel:** 022-28520461

**Fax:** NA

**Email:** sme.ipo@satellitecorporate.com

**Investor grievance e-mail:** sme.ipo@satellitecorporate.com

**Website:** http://www.satellitecorporate.com

**SEBI Registration No.:** INR000003639

### **Legal Advisor to the Issue**

#### **MMJB & Associates LLP**

Ecstasy, 803/804,9<sup>th</sup> Floor, City of Joy,

J.S.D Road, Mulund (West), Mumbai-400080

**Telephone:** +22 21678100

**Facsimile:** N.A.  
**Website:** www.mmjcadvisory.com  
**Email:** kumudiniparanjape@mmjc.in  
**Contact Person:** Ms. Kumudini Paranjape

#### **Statutory and Peer Review Auditor of our Company**

**Sunil Kumar Gupta & Co.,**  
Chartered Accountants  
B-10, Magnum House-I,  
Karam Pura Commercial Complex,  
Shivaji Marg, New Delhi-110015  
**Telephone:** +91 09953999077  
**Facsimile:** NA  
**Email:** caskg82@gmail.com  
**Contact Person:** CA Sunil Kumar Gupta  
**Membership No.:** 082486  
**Firm Registration No.:** 003645N  
**Peer Review Certificate No.:** 014218

#### **Bankers to our Company**

##### **Canara Bank**

MCB Branch D.P Code: 2452, Plot No..1,  
Sector 34A, Chandigarh - 160022  
**Telephone:** 0172-2661763  
**Facsimile:** NA  
**Email:** cb2452@canarabank.com  
**Website:** https://canarabank.com  
**Contact Person:** Mr. Arvind Kumar  
**Designation:** Assitant General Manager

##### **HDFC Bank**

Plot No.28, Industrial Area Phase-1,  
Chandigarh  
**Telephone:** +91 9357689457  
**Facsimile:** NA  
**Email:** atul.dogra@hdfcbank.com  
**Website:** https://www.hdfcbank.com  
**Contact Person:** Mr. Atul Dogra  
**Designation:** Assistant Vice President

##### **Banker to the Issue**

The Banker(s) to the Issue shall be appointed prior to filing of the Prospectus.

##### **Refund Bank**

The Refund Bank(s) shall be appointed prior to filing of the Prospectus.

##### **Sponsor Bank**

The Sponsor Bank(s) shall be appointed prior to filing of the Prospectus.

##### **Syndicate Member**

The Syndicate Member(s) shall be appointed prior to filing of the Prospectus.

##### **Designated Intermediaries**

###### *Self-Certified Syndicate Banks*

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>.



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 Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43>) respectively, as updated from time to time.

#### *SCSBs enabled for UPI Mechanism*

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 Applying using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, as amended.

#### *Registered Brokers*

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the website of NSE at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

#### *Registrar and Share Transfer Agent*

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the website of NSE at [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm) as updated from time to time.

#### *Collecting Depository Participants*

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the website of NSE at [http://www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), as updated from time to time.

#### **IPO Grading**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

#### **Credit Rating**

As this is an Issue of Equity Shares, credit rating is not required.

#### **Green Shoe Option**

No Green Shoe Option is applicable for this Issue.

#### **Brokers to the Issue**

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

#### **Debenture Trustees**

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

#### **Monitoring Agency**

As the Net Proceeds of the Issue will be less than ₹10,000 lacs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

#### **Appraising Entity**

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

#### **Expert Opinion**

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

Our Company has received written consent dated August 17, 2022 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated July 18, 2022 on our restated consolidated financial information; and (ii) its report dated July 30, 2022 on the statement of special

tax benefits in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

### Inter-se Allocation of Responsibilities

GYR Capital Advisors Private Limited being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

### Filing

A copy of the Prospectus, along with the material contracts and documents will also be Registered to the RoC under Section 26 and Section 32 of the Companies Act, 2013 would be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC and through the electronic portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

### Changes in Auditors during the last three years

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

Name of Auditor	Date of Appointment/Change	Reason for change
<b>Chetal Vikesh &amp; Associates,</b> Chartered Accountants 129, Phase 1B, Shivalik Avenue, Naya Nangal, Nangal, Punjab Email id: <a href="mailto:vikesh_chetal@yahoo.com">vikesh_chetal@yahoo.com</a>	29-06-2021	Resignation of Statutory Auditors of the company due to pre occupation of work.
<b>Sunil Kumar Gupta &amp; Co.</b> Chartered Accountants B-10, Magnum House-I, Karam Pura Commercial Complex, Shivaji Marg, New Delhi-110015 Email Id: <a href="mailto:caskg82@gmail.com">caskg82@gmail.com</a> Peer Review: 014218	12-07-2021	Appointed as the Statutory Auditor to fill-in the casual vacancy.
<b>Sunil Kumar Gupta &amp; Co.</b> Chartered Accountants B-10, Magnum House-I, Karam Pura Commercial Complex, Shivaji Marg, New Delhi-110015 Email Id: <a href="mailto:caskg82@gmail.com">caskg82@gmail.com</a> Peer Review: 014218	28-09-2021	Appointed as Statutory Auditor in Annual General Meeting for a period of 5 years.

### Issue Programme

An indicative time table 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	On or about	[•]
Initiation of Allotment / Refunds / Unblocking of Funds <sup>(1)</sup>	On or about	[•]
Credit of Equity Shares to demat accounts of Allottees	On or about	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	On or about	[•]

<sup>(1)</sup>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 Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue 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. For the avoidance of doubt, the provisions 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 no.

SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable

The above timetable is indicative and does not constitute any obligation on our Company 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.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Prospectus and Prospectus may result in changes to the above mentioned timelines. Further, the issue procedure is subject to change to any revised SEBI circulars to this effect.

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 Exchange, 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 Exchange. 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 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 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.

For further details, see “Issue Structure” and “Issue Procedure” beginning on pages 182 and 185, respectively.

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

### Underwriting Agreement

After the determination of the Issue Price, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be offered through the Issue. The Underwriting Agreement is dated [•]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter will be several and will be subject to certain conditions specified therein:

The Underwriter have indicated their intention to underwrite the following number of Equity Share:

(₹ in lacs)

Name, address, telephone number, Facsimile and e-mail addresses of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten	% of the total Issue size Underwritten
[•]	[•]	[•]	[•]

The above-mentioned is indicative underwriting and will be finalised after determination of Issue Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board, the resources of the Underwriter are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI or registered as brokers with the Stock Exchange(s).

The Board, at its meeting held on [•], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

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

Our Company has entered into a Market Making Agreement dated [•] with the following Market Maker for fulfilling the Market Making obligations under 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 NSE to fulfil the obligations of Market Making) dated [•] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issuer.

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

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

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock 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 offer 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 Emerge Platform of NSE 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 Maker for the Company's Equity Shares at any point of time and the Market Maker may compete with other Market Maker 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 Emerge Platform of NSE and market maker will remain present as per the guidelines mentioned under NSE 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, 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 Market Maker shall have the right to terminate said arrangement by giving one month notice or on mutually acceptable terms to the Lead Managers, 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 Managers to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations. Further the Company and the Lead Managers reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time.

9. **Risk containment measures and monitoring for Market Maker:** Emerge Platform of NSE will have all margins which are applicable on the NSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin,

Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.

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

11. 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.
12. 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)
Upto ₹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.**

#### **WITHDRAWAL OF THE ISSUE**

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

If our Company withdraws the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice will be issued by our Company within two (2) Working Days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared, and the Stock Exchange will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs and Sponsor Bank (in case of RII's using the UPI Mechanism) to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed. Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares Issued through the Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

## CAPITAL STRUCTURE

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

*(Amount. in ₹ except share data)*

Sr. No.	Particulars	Aggregate Value at Nominal Value	Aggregate Value at Issue Price
<b>A.</b>	<b>Authorised Share Capital out of which :</b>		
	1,50,00,000 Equity Shares having face value of Rs. 10/- each	15,00,00,000	-
<b>B.</b>	<b>Issued, Subscribed and Paid-up Share Capital before the Issue out of which</b>		
	76,34,515 Equity Shares having face value of Rs. 10/- each	7,63,45,150	-
<b>C.</b>	<b>Present Issue in terms of this Draft Prospectus<sup>(1)</sup></b>		
	Fresh Issue of upto 35,00,000 Equity Shares of Rs. 10/- each at a price of Rs. [•] per Equity Share	[•]	[•]
	<b>Which comprises:</b>		
	[•] Equity Shares of Rs. 10/- each at a price of Rs. [•] per Equity Share reserved as Market Maker Portion	[•]	[•]
	Net Issue to Public of [•] Equity Shares of Rs. 10/- each at a price of Rs. [•] per Equity Share to the Public	[•]	[•]
	<b>Of which<sup>(2)</sup>:</b>		
	Up to [•] 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	[•]	[•]
	Up to [•] 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	[•]	[•]
<b>D.</b>	<b>Paid-up Share Capital after the Issue</b>		
	[•] Equity Shares of Rs. 10/- each	[•]	[•]
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	4,21,53,808	
	After the Issue		[•]

<sup>(1)</sup>The present Issue has been authorized pursuant to a resolution of our Board dated 29<sup>th</sup> June, 2022 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated 20<sup>th</sup> July, 2022 under Section 62(1)(c) of the Companies Act, 2013.

<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.

### 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.

### Details of changes in Authorized Share Capital of our Company since incorporation

The initial authorised capital of our Company was Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 Equity Shares of Rs. 10/- each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
September 11, 2020	Rs. 5,00,00,000/- divided into 50,00,000 Equity Shares of Rs. 10/- each	Rs. 8,00,00,000/- divided into 80,00,000 Equity Shares of Rs. 10/- each	EGM
July 20, 2022	Rs. 8,00,00,000/- divided into 80,00,000 Equity Shares of Rs. 10/- each	Rs. 15,00,00,000/- divided into 1,50,00,000 Equity Shares of Rs. 10/- each	EGM

## NOTES TO THE CAPITAL STRUCTURE

### 1. Share Capital History of our Company:

#### Equity Share Capital

Date of Allotment	No. of Equity Shares	Face value (Rs.)	Issue Price (Rs.)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid-up Capital (Rs.)
On Incorporation <sup>(1)</sup>	45,00,002	10	10	Cash	Subscription to Memorandum of Association	45,00,002	4,50,00,020
April 27, 2018 <sup>(2)</sup>	4,99,900	10	10	Conversion of loan into Equity	Private Placement	49,99,902	4,99,99,020
September 15, 2020 <sup>(3)</sup>	25,38,460	10	26	Conversion of loan into Equity	Private Placement	75,38,362	7,53,83,620
February 20, 2021 <sup>(4)</sup>	96,153	10	26	Conversion of loan into Equity	Private Placement	76,34,515	7,63,45,150

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

(1) Subscription of to the MOA for the total of 45,00,002 Equity Shares by Pritika Auto Industries Limited (45,00,000 Equity Shares) and Mr. Raminder Singh Nibber (02 Equity Shares). Mr. Raminder Singh Nibber was the registered owner of these shares and the beneficial owner was Pritika Auto Industries Limited.

(2) Private Placement of a total of 4,99,900 Equity Shares to Pritika Auto Industries Limited.

(3) Private Placement of a total of 25,38,460 Equity Shares to Pritika Auto Industries Limited.

(4) Private Placement of a total of 96,153 Equity Shares to Pritika Auto Industries Limited.

### 2. Preference Share capital history of our Company

Our Company do not have any preference share capital as on the date of this Draft Prospectus.

### 3. Issue of equity shares for consideration other than cash or out of revaluation reserves and through Bonus Issue:

Except as stated in the above table, our Company has not issued any Equity Shares for consideration other than cash as on date of this Draft Prospectus.

4. As of date of this Draft Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.

5. Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.

6. Our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of the one year preceding the date of this Draft Prospectus.

**7. Shareholding Pattern of our Company**

The table below represents the shareholding pattern of our Company as on the date of this Draft Prospectus:



Category (I)	Category of Share- holder (II)	No. of Share-holder (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	Share Holding as a % assuming Full convertible securities (as a % of Diluted Share Capital)(XI)=(VII)+(X) As a % of (A+B+C2)	Number of Locked In shares (XII)		No. of shares Pledged Or Otherwise encumbered (XIII)		No. of Equity shares held in Demat form (XIV)
								No of voting Right			Total As 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 & Promoter Group*	3	7634511	-	-	7634511	100	7634511	-	7634511	100	-	100	-	-	-	-	7634511
B	Public	4	4	-	-	4	Negligible	4	-	4	Negligible	-	Negligible	-	-	-	-	4
C	Non Promoter Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C1	Shares Underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C2	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	<b>76,34,515</b>	<b>-</b>	<b>-</b>	<b>76,34,515</b>	<b>100</b>	<b>76,34,515</b>	<b>-</b>	<b>76,34,515</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>[•]</b>	<b>[•]</b>	<b>-</b>	<b>-</b>	<b>76,34,515</b>

\*Mr. Raminder Singh Nibber holds 2 shares and Mr. Harpreet Singh Nibber holds 1 share who are Natural persons in control of promoters

Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one (1) day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares. The Equity Shares held by our Promoters and members of our Promoter Group are in dematerialized form.

## 8. Other details of shareholding of our Company:

- a) Particulars of the shareholders holding 1% or more of the paid-up share capital of our Company aggregating to 100% of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	M/s. Pritika Auto Industries Limited	76,34,508	100%
	<b>Total</b>	<b>76,34,508</b>	<b>100%</b>

- b) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them ten (10) days prior to the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	M/s. Pritika Auto Industries Limited	76,34,508	100%
	<b>Total</b>	<b>76,34,508</b>	<b>100%</b>

- c) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them one (01) year prior to the date of filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	M/s. Pritika Auto Industries Limited	76,34,515*	100%
	<b>Total</b>	<b>76,34,515</b>	<b>100%</b>

\* Mr. Raminder Singh Nibber holding 2 shares the beneficial owner of which was Pritika Auto Industries Limited

- d) Particulars of the shareholders holding 1% or more of the paid-up equity share capital of our Company and the number of shares held by them two (02) years prior to filing of this Draft Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	M/s. Pritika Auto Industries Limited	75,38,362*	100%
	<b>Total</b>	<b>75,38,362</b>	<b>100%</b>

\* Mr. Raminder Singh Nibber holding 2 shares the beneficial owner of which was Pritika Auto Industries Limited

- e) None of the shareholders of our Company holding 1% or more of the paid-up capital of the Company as on the date of the filing of the Draft Prospectus are entitled to any Equity Shares upon exercise of warrant, option or right to convert a debenture, loan or other instrument.

- f) Our Company has not made any initial public offer of its Equity Shares or any convertible securities during the preceding 02 (two) years from the date of this Draft Prospectus.

9. Our Company does not have any intention or proposal to alter its capital structure within a period of six (06) months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares whether preferential or bonus, rights or further public issue basis. However, our Company 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.

## 10. Shareholding of our Promoters

Set forth below are the details of the build-up of shareholding of our Promoter: Pritika Auto Industries Limited

Date of Allotment / Transfer	No. of Shares	F.V . (₹)	Issue / Transfer Price (₹)	Nature of Transaction	Consideration	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital	No. of Shares Pledged	% of shares pledged
On Incorporation	45,00,002	10	10	Subscription to MoA upon Incorporation of Company	Cash	100%	[•]	N.A.	N.A.
April 27, 2018	4,99,900	10	10	Allotment pursuant to private placement	Conversion of loan into Equity	100%	[•]	N.A.	N.A.
September 15, 2020	25,38,460	10	26	Allotment pursuant to private placement	Conversion of loan into Equity	100%	[•]	N.A.	N.A.
February 20, 2021	96,153	10	26	Allotment pursuant to private placement	Conversion of loan into Equity	100%	[•]	N.A.	N.A.
<b>Total</b>	<b>76,34,515</b>		<b>100 %</b>						

**Details of Shares sold:**

Name of Seller	Date of sale	Name of Buyer	No. of shares	Consideration per share (in Rs.)
Pritika Auto Industries Ltd.	02.09.2022	Mr. Raminder Singh Nibber	2	50
Pritika Auto Industries Ltd.	02.09.2022	Mr. Harpreet Singh Nibber	1	50
Pritika Auto Industries Ltd.	02.09.2022	Mr. Ajay kumar	1	50
Pritika Auto Industries Ltd.	02.09.2022	Mr. Ashish Kumar	1	50
Pritika Auto Industries Ltd.	02.09.2022	Mrs. Jasleen Narang	1	50
Pritika Auto Industries Ltd.	02.09.2022	Mr. Narinder Kumar Tyagi	1	50

**Shareholding of Promoter & Promoter Group as on date:**

Name	No. of shares
<b>Promoter</b>	
Pritika Auto Industries Ltd.	76,34,508

<b>Natural Persons who are in control of Promoter</b>	
Mr. Raminder Singh Nibber	2
Mr. Harpreet Singh Nibber	1
<b>Total</b>	<b>76,34,511</b>

11. As on the date of the Draft Prospectus, the Company has 7 (Seven) members/shareholders.
12. The details of the Shareholding of the members of the Promoter Group and directors of the promoter as on the date of this Draft Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholders	Pre-Issue		Post Issue	
		Number of Equity Shares	% of Pre-Issue Equity Share Capital	Number of Equity Shares	% of Pre-Issue Equity Share Capital
1.	Harpreet Singh Nibber*	1	Negligible	[•]	[•]
2.	Raminder Singh Nibber*	2	Negligible	[•]	[•]
3.	Ajay Kumar*	1	Negligible	[•]	[•]
<b>Total</b>		<b>4</b>	<b>Negligible</b>	<b>[•]</b>	<b>[•]</b>

\* Directors of the Promoter Company

13. The Promoter, Promoter Group, Directors of our Company and their relatives have not undertaken purchase or sale transactions in the Equity Shares of our Company, during a period of six (06) months preceding the date on which this Draft Prospectus is filed with Stock Exchange.
14. There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six (06) months immediately preceding the date of filing of the Draft Prospectus.
15. **Promoter's Contribution and other Lock-In details:**

Pursuant to Regulation 236 and 238 of the SEBI (ICDR) Regulations, an aggregate of 20.00% of the fully diluted post-Issue capital of our Company held by the Promoters shall be locked in for a period of three years from the date of Allotment (“**Minimum Promoter's Contribution**”), and the Promoters' shareholding in excess of 20% of the fully diluted post-Issue Equity Share capital shall be locked in for a period of one year from the date of Allotment.

The lock-in of the Minimum Promoter's Contribution would be created as per applicable laws and procedures and details of the same shall also be provided to the Stock exchange before the listing of the Equity Shares.

Following are the details of Minimum Promoter's Contribution:

Number of Equity Shares locked-in* <sup>(1)(2)(3)</sup>	Nature of Allotment / Transfer	Date of Allotment and Date when made fully paid-up	Face value (in Rs.)	Issue / Acquisition Price per Equity Share (in Rs.)	Nature of consideration (cash / other than cash)	% of fully diluted post- Issue paid-up capital	Period of lock-in
<b>M/s. Pritika Auto Industries Limited</b>							
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
TOTAL	[•]	[•]	[•]	[•]	[•]	[•]	[•]

\* Subject to finalization of Basis of Allotment.

<sup>(1)</sup>For a period of three years from the date of allotment.

<sup>(2)</sup>All Equity Shares have been fully paid-up at the time of allotment.

<sup>(3)</sup>All Equity Shares held by our Promoters are in dematerialized form.

For details on the build-up of the Equity Share capital held by our Promoters, see chapter titled “*Capital Structure*” shareholding on page 51.

The Promoter’s Contribution has been brought to the extent of not less than the specified minimum lot and from persons defined as ‘promoter’ under the SEBI (ICDR) Regulations.

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

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets
- Equity Shares resulting from bonus issue by utilization of revaluations reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are otherwise ineligible for minimum promoters’ contribution;
- Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- Equity Shares issued to the Promoters upon conversion of a partnership firm;
- Equity Shares held by the Promoters that are subject to any pledge; and
- Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters’ Contribution subject to lock-in.

Our Company has not been formed by the conversion of a partnership firm into a company in the past one year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm in the past one year. All the Equity Shares held by the Promoters and the members of the Promoter Group are held in dematerialized form.

In terms of undertaking executed by our Promoters, Equity Shares forming part of Promoters’ Contribution subject to lock in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of this Draft Prospectus till the date of commencement of lock in period as stated in this Draft Prospectus.

Other than the Equity Shares locked-in as Promoter’s Contribution for a period of three years as stated in the table above, the entire pre-Issue capital of our Company, including the excess of minimum Promoter’s Contribution, as per Regulation 238 of the SEBI (ICDR) Regulations, shall be locked in for a period of one year from the date of Allotment of Equity Shares in the Issue. Such lock – in of the Equity Shares would be created as per the bye laws of the Depositories.

#### ***Other requirements in respect of ‘lock-in’***

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be Transfer to any other person holding the Equity Shares which are locked-in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 238 of the SEBI (ICDR) Regulations, may be Transfer to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 242(a) of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions or a systemically important non-banking finance company or a housing finance company as collateral security for loans granted by such banks or financial institutions, provided that such loans have been granted for the purpose of financing one or more of the objects of the Issue and pledge of the Equity Shares is a term of sanction of such loans.

In terms of Regulation 242(b) of the SEBI ICDR Regulations, the Equity Shares held by the Promoters which are locked-in for a period of one year from the date of allotment may be pledged only with scheduled commercial banks, public financial institutions, systemically important non-banking finance companies or housing finance companies as collateral security for loans granted by such entities, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.

16. Our Company, our Promoters, our Directors and the Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.
17. The post-Issue paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.
18. There have been no financing arrangements whereby our Directors or any of their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Prospectus.
19. No person connected with the Issue, including, but not limited to, our Company, the members of the Syndicate, or our Directors, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Issue.
20. There neither have been and there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of the Draft Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.
21. Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Prospectus.
22. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company will comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
23. Our Company shall ensure that any transactions in Equity Shares by our Promoters and the Promoter Group during the period between the date of filing the Draft Prospectus and the date of closure of the Issue, shall be reported to the Stock Exchanges within 24 hours of the transaction.
24. 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.
25. 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.
26. Our Promoters and the members of our Promoter Group will not participate in the Issue.
27. Following are the details of Equity Shares of our Company held by our Directors, Key Management Personnel:

Sr. No.	Name of Directors/KMP	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	Harpreet Singh Nibber	1	Negligible
2.	Raminder Singh Nibber	2	Negligible
3.	Ajay Kumar	1	Negligible
4.	Narinder Kumar Tyagi	1	Negligible

28. Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
29. 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 185 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.

30. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
31. An over-subscription to the extent of 10% of the 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 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.
32. 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
33. 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.

As on date of this Draft Prospectus, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

## OBJECTS OF THE ISSUE

### Requirement of Funds

Our Company proposes to utilize the funds which are being raised through this Issue (“Net Proceeds”) towards the following object:

- a) Investment in relation to the new unit set up by our wholly owned subsidiary, Meeta Castings Limited (MCL);
- b) General Corporate purposes

The main object clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enables us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange for the enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

### Issue Proceeds & Net Proceeds

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

(₹ in lakhs)

Particulars	Amount
Gross Proceeds of the Issue	[•]
Less: Issue related expenses	[•]
<b>Net Proceeds of the Issue</b>	<b>[•]</b>

### Utilization of Net Proceeds

(₹ in lakhs)

Particulars	Total Estimated Cost	Amount proposed to be financed from Net Issue Proceeds	% of Gross Issue Proceeds
Investment in relation to the new unit set up by our wholly owned subsidiary, Meeta Castings Limited (MCL)	Up to 2080.31	Up to 700.00	[•]
General Corporate Purposes	[•]	[•]	[•]
Issue Expenses	[•]	[•]	[•]
<b>Total</b>	<b>[•]</b>	<b>[•]</b>	<b>[•]</b>

### DETAILS OF THE FUND REQUIREMENTS

#### **a. Investment in relation to the new unit being set up by our Wholly Owned Subsidiary, Meeta Castings Limited (MCL)**

MCL is the wholly owned subsidiary of our company and was incorporated on March 16, 2022. MCL was wholly owned subsidiary since its incorporation. The main object of the company is to carry on the business as manufacturers, buyers, sellers, assemblers, distributors, dealers, processors, founders, forgers, converters, fabricators, importers, exporters, agents, buyers and sellers of all types of industrial/ steel castings, forgings of steel and iron, metals, alloys, automobile/ tractor parts, accessories, spares, tools and allied products of automobile industry, construction equipments, material handling equipments, casting for infrastructure and to establish foundries, castings, forgings and machining shops. It is planning to start a new manufacturing unit of automotive & engineering castings with an installed capacity of 1000MT per month.



Meeta Castings Limited has been incorporated as a wholly owned subsidiary of Pritika Engineering Components Limited for setting up the new unit at Village-Simbli, Tehsil and Distt- Hoshiarpur, Punjab for expansion. The total estimated cost for the project is Rs. 20.80 Crores. Our Company may make investment in MCL through infusion of equity, debt or any other instrument, in accordance with applicable laws.

The new unit shall be manufacturing various components of automotive & engineering castings like differential housings, hydraulic lift covers, crank cases, axle supports, cylinder blocks, motor bodies and decorative castings etc. to cater to the requirements of various Tractor, Construction Equipment, HCV/LCV, Electric Motors, Manufacturers and for general Engineering Industry.

The products of the group are highly appreciated by OEMs and, in view of the growing demand for auto motives, especially HCV/LCV, tractors and considering the high potential of automotive and engineering castings for various sectors like HCV/LCV, construction equipments, pipe fitting, etc., has changed globally after COVID. the group is venturing into advanced lost foam casting technology, which is widely used in China and Europe and is both cost-effective and environmentally friendly.

Lost foam casting technology helps to manufacture complex products with better finishing. First foam patterns (members) are made which are glued together to form the mould. Now this casting is subjected to more treatment to form a finished moulds. These are then used to manufacture our end products. These moulds are free from additives and water making process more stable and reliable. A more detailed process is described in ‘Process of Manufacturing’ below.

#### Nature of Benefit

Lost Form technology is a much more cost effective way of production and this requires significant capital expenditure. To reduce our overall manufacturing cost and have a more competitive edge in the industry with more varied product portfolio, combined with higher manufacturing capacity, this will help us to have a sustained leadership position in the industry. This in the long term will help our company to achieve customer acquisition and expansion of our business and it will increase the brand value of the company. Job creation and economic prosperity is an added macroeconomic benefit.

Source of Fund	Total Estimated Cost (Rs. in Lacs)
IPO	Upto 700.00
Own Contribution	Upto 41.31
Debt	Upto 1339.00
<b>Total</b>	<b>Upto 2080.31</b>

We propose that any subsequent expenditure in relation to the proposed project shall be funded through debt/own contribution.

#### ESTIMATED COST

Particulars	Total Cost (Rs. in Lacs)
Land & Land Development	110.00
Building and Utilities/ Construction Cost	418.00
Plant and Machinery	1072.65
Electricals	183.66
Margin for Working Capital	162.00

Other Costs including cost of Licenses, Approvals, Permits, Administrative Expenses, Selling & Marketing Expenses and Contingencies.	134.00
<b>Total</b>	<b>2080.31</b>

### PROCESS OF MANUFACTURING:-

MCL intends to manufacture various components of automotive & engineering castings like differential housings, hydraulic lift covers, crank cases, axle supports, cylinder blocks, motor bodies and decorative castings etc. The manufacturing process is given here under:

Sr. No.	Particulars	Remarks
1.	Preparation of Moulds	Lost foam is an innovative technology that requires foam patterns instead of the conventional process of sand castings. Foam patterns are made on an EPS moulding machine. These moulds are assembled after stabilization through gluing. After assembly, the foam patterns are coated with a refractory coating and dried in special rooms. These assemblies are kept in special flasks and dry sand is poured, these moulds are compacted through vibrations. These moulds are free from additives and water making process more stable and reliable. The return sand is cooled through sand cooler and the dust is extracted through dust collection system.
2.	Melting	Two induction furnaces with two crucibles of 1500 kg (1 working + 1 standby) with pollution control equipment as per norms, will be installed to obtain molten metal at a temperature of 1400 to 1600 degrees Celsius with electricity. The primary raw materials that will be used are CI scrap, MS scrap, and pig iron
3.	Pouring	The molten metal from Induction Furnaces shall be poured into the moulds by ladle on monorails/crane. In lost foam casting, pouring is assisted by vacuum to siphon gas generated while pouring.
4.	Knock Out	After pouring the moulds shall be carried through automatic track line & punch out machine will punch the sand & casting from the mould box automatically. The sand will go in the return circle & casting will go to shot Blasting/ Fettleing.
5.	Shot Blasting	After punch-out (Knock Out) the casting shall be cleaned through shot blasting process. The two Nos. of Shot blasting Machines will be installed for the purpose. After that extra material / fins etc. shall be removed by hand / bench grinders. After fettling castings shall be primer coated as per customer requirement.
6.	Quality Control/Inspection Foundry	Incoming Inspection of raw materials like Pig iron, Sand, Betonites etc. is done. Inspection of Sand, Metal and Molds shall be done with suitable inspection facility like chemical, physical, spectrometer & sand lab. The final product shall be inspected as per customer / International Standards or specification and appropriate facilities shall be provided.

### REQUIREMENT OF FUNDS AND MEANS OF FINANCE

The fund requirements mentioned above are based on the internal management estimates of the Company and quotations provided by suppliers in this industry which are not been verified or appraised by any bank, financial institution or any other external agency. They are based on current circumstances of the business and the Company may have to revise its estimates and requirements from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations.

Consequently, the fund requirements of our Company are subject to revisions in the future at the discretion of the management. In the event of any shortfall of funds for the activities proposed to be financed out of the Net Proceeds as stated above, the Company may re-allocate the Net Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable laws. Further, in case of a shortfall in the Net Proceeds or cost overruns, our management may explore a range of options including utilizing our internal accruals or seeking debt financing.

Accordingly we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI (ICDR), Regulations, 2018, as amended, through verifiable means towards 75% of

the stated means of finance excluding the amount to be raised the net proceeds and existing identifiable internal accruals.

For further details on the risks involved in our proposed fund utilization as well as executing our business strategies, please refer chapter titled “Risk Factors” beginning on Page No. 25 of this Prospectus.

#### DETAILS OF FUND REQUIREMENTS

Our Company holds 100% of Equity Share Capital of Meeta Castings Limited (“MCL”), making it our wholly owned subsidiary. We intend to utilise a part of the Net Issue Proceeds amounting up to ₹700.00 lakhs to make a further investment in our Subsidiary i.e. Meeta Castings Limited. The mode of deployment of funds will be equity and/or debt or both as may be decided by the company. As on date of this Draft Prospectus, Land development and boundaries work has completed by MCL for unit to be set up at Village Simbli, Distt. Hoshiarpur, Punjab. Our wholly owned Subsidiary intends to utilise the above proposed investment for funding its unit to start its project with new casting technique i.e. Lost Foam Casting, the installed capacity of the unit will be 1000 MT p.m. For details regarding the specifications of this project, please see “Our Objects of the issue” beginning on page no. 61 of this Draft Prospectus.

Sr. no.	Survey No.	Area (in lacs sq. ft.)
1.	3 Kanal 19 Marlas 6 Sarsahi (Three Kanals Nineteen Marlas Six Sarsahi) detailed as under; land measuring 1 Kanal 3 Marlas $\frac{3}{4}$ Sarsahi out of Khasra No. 19//9(8-0), 19//10/2(3-19) through Mandeep Singh and land measuring 10 Marlas $7\frac{1}{2}$ Sarsahi, through Rajinder Singh 9 Marlas $2\frac{1}{4}$ Sarsahi, through Amandeep Kaur 3 Marlas and land measuring 2 Kanal 16 Marlas $5\frac{1}{4}$ Sarsahi out of Khasra No. 10//18(4-0), 23(4-0), 25(8-0), 14//4/3(3-11), 5/1(-2), 19//3/2(7-2), through Mandeep Singh 1 Kanal 4 Marlas through Rajinder Singh 1 Kanal 4 Marlas $5\frac{1}{4}$ Sarsahi, through Amandeep Kaur 8 Marlas, Khata No. 111/148 situated at Village Simbli/272, Tehsil & Distt. Hoshiarpur.	21689.25
2.	3 Kanal 19 Marlas 6 Sarsahi (Three Kanals Nineteen Marlas Six Sarsahi) detailed as under; land measuring 1 Kanal 3 Marlas $\frac{3}{4}$ Sarsahi out of Khasra No. 19//9(8-0), 19//10/2(3-19) through Mandeep Singh and land measuring 10 Marlas $7\frac{1}{2}$ Sarsahi, through Rajinder Singh 9 Marlas $2\frac{1}{4}$ Sarsahi, through Amandeep Kaur 3 Marlas and 2 Kanal 16 Marlas $5\frac{1}{4}$ Sarsahi out of Khasra No. 10//18(4-0), 23(4-0), 25(8-0), 14//4/3(3-11), 5/1(5-2), 19//3/2(7-2), through Mandeep Singh 1 Kanal 4 Marlas through Rajinder Singh 1 Kanal 4 Marlas $5\frac{1}{4}$ Sarsahi through Amandeep Kaur 8 Marlas, Khata No. 111/148 situated at Village Simbli/272, Tehsil & Distt. Hoshiarpur	21689.25
3.	3 Kanal 19 Marlas 6 Sarsahi (Three Kanals Nineteen Marlas Six Sarsahi) detailed as under; land measuring 1 Kanal 3 Marlas $2\frac{1}{2}$ Sarsahi out of Khasra No. 19//9(8-0), 19//10/2(3-19) through Mandeep Singh and land measuring 10 Marlas $7\frac{1}{4}$ Sarsahi, through Rajinder Singh 9 Marlas $2\frac{1}{2}$ Sarsahi, through Amandeep Kaur 3 Marlas $2\frac{1}{4}$ Sarsahi and land measuring 2 Kanal 16 Marlas $3\frac{1}{2}$ Sarsahi out of Khasra No. 10//18(4-0), 23(4-0), 25(8-0), 14//4/3(3-11), 5/1(5-2), 19//3/2(7-2) through Mandeep Singh 1 Kanal 3 Marlas $1\frac{3}{4}$ Sarsahi, through Rajinder Singh 1 Kanal 4 Marlas $5\frac{1}{2}$ Sarsahi, through Amandeep Kaur 8 Marlas $5\frac{1}{4}$ Sarsahi, Khata NO. 111/148 situated at Village Simbli/272, Tehsil & Distt. Hoshiarpur	21689.25
	<b>Total</b>	<b>65067.75</b>

#### CONSTRUCTION PLAN

Project Name	Date of commencement of Project	Estimated completion date	Total Carpet area (Sq. Ft.)

Meeta Castings Limited Manufacturing Plant	16-03-2022	21-03-2023	31500
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The estimated implementation schedule for the above mentioned project is as follows:

Sr. No.	Details	Estimated start month/ date	Estimated completion month/date
1.	Land Acquisition	Completed on 16-03-2022	
2.	Construction/Civil Work	01-09-2022	20-01-2023
3.	Equipments Purchase Order Finalisation	23-04-2022	01-12-2022
4.	Receipt of Equipment	---	16-12-2022
5.	Power Connection	01-09-2022	28-02-2023
6.	Erection of Machines	22-12-2022	10-02-2023
7.	Commissioning of Machines	11-02-2023	10-03-2023
8.	Trial Run	11-03-2023	20-03-2023
9.	Commercial Production	From 21-03-2023	

#### DETAILS OF PLANT AND MACHINERY REQUIRED

There are various types of Machines required. Details of Plant and Machinery are as follows:

(Amount in ₹

lacs)

Machines Required to be Bought	Purchase Order/ Quotation (A)	Govt Taxes/ Custom Duty (B)	Freight & Installation (C)	Total Cost of the Machines (A+B+C)	Expected date of Supply
Moulding Line Which Includes:- Flask Box, Bucket Elevator, Sand Cooler, Sand Hopper, Vacuum Pump & Dust Extraction System etc.	195.67	35.22	3.00	233.89	November, 2022
Melting Induction Furnace 2000 kg and Furnace Transformer 1850 KVA	148.00	26.64	1.20	175.84	December, 2022
EPS Lost Foam Mould Dies of Various Parts & Other Items	15.92	5.57	3.50	24.99	October, 2022
"EPS Hydraulic Moulding Machine & Other Items"	35.65	12.48	4.70	52.82	October, 2022
"CNC Hot-wire Foam Block Cutting Machine, Gluing Machine & Other Items"	19.43	6.80	3.50	29.73	October, 2022
"1TPH (F&A 1000C)10.54 Kg/Cm2 Wood/Briquettes/ Fired Smoke Tube, Steam Max Boiler"	14.50	2.61	0.50	17.61	December, 2022
Shot Blasting M/c 500 Kg	34.62	6.23	0.50	41.35	February, 2023
Shot Blasting M/c 1000 Kg	38.50	6.93	0.50	45.93	February, 2023

Air Compressor	11.86	2.13	0.20	14.19	February, 2023
DG Set 250 KVA	16.25	2.93	0.50	19.68	March, 2023
"Fork Lift VX30KATBCHVT2125PLUS Automatic Transmission – Solid Tyres"	8.90	1.60	0.50	11.00	March, 2023
Overhead Cranes	42.00	7.56	0.50	50.06	February, 2023
Painting Booth	5.00	0.90	-	5.90	February, 2023
Spectrometer	19.51	3.51	-	23.02	March, 2023
QA Equipments	40.50	7.29	2.00	49.79	March, 2023
Fire Fighting	5.00	0.90	-	5.90	March, 2023
Miscellaneous fixed assets like Local Fabrication, Computers, furniture, Grinder, Paint Booth, Fire Fighting System, Pattern, Tooling	270.95	-	-	270.95	---
<b>Total</b>				<b>*1072.65</b>	

\*As on the date of draft prospectus, the Percentage and value terms of the Plant and Machinery for which orders are yet to be placed is approximately Rs. 481.84 lacs i.e. 44.92%.

## FUNDING DETAILS

(₹ in lakhs)

Sr. No.	Particulars	Total Estimated Expenditure	Amount deployed as at March 31, 2022	Balance Amount to be deployed	Amount proposed to be financed from Bank Loan / Internal Accruals	Amount proposed to be financed from Net Issue Proceeds
1.	Further Investment in our wholly owned Subsidiary for part-financing	Upto Rs. 2080.31	Rs. 111.48	Rs. 1968.83	*Upto Rs. 1380.31	Upto Rs. 700.00

\*Proposal for funding the Project amounting to Rs.1339.00 has been filed with bank/financial institution. The appraisal of the proposal is under process.

### Proposed Schedule of Implementation and funds deployed

Our Company plans to deploy the funds towards the above stated Object depending upon various factors including the actual timing of the completion of the Issue and the receipt of the Net Proceeds. In the event that estimated utilization out of the funds in any given financial year is not completely met, the same shall be utilized in the next financial year.

(₹ in Lakhs)

Sr. No.	Amount proposed to be funded from the Net Proceeds	Estimated utilisation in Fiscal 2023
1.	Upto Rs. 700	Rs.700

### b) GENERAL CORPORATE PURPOSES

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy up to Rs. [•] Lacs towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our

management, including but not restricted to, the following: Strategic initiatives; Brand building and strengthening of marketing activities and Products of the Our Company; Working Capital, On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions. The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above in any permissible manner. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, working capital as mentioned in this Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

**c) ISSUE RELATED EXPENSES**

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

Sr. No.	Particulars	Amount (Rs. in lacs)	% of Total Expenses	% of Total Issue Size
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>(1)(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>	[•]	[•]%	[•]%

1) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are directly procured by the SCSBs would be as follows:

Portion for Retail Individual Bidders <sup>#</sup>	[•]% of the amount allotted (plus GST)
Proportion of Non-Institutional Bidders <sup>#</sup>	[•]% of the amount allotted (plus GST)

<sup>#</sup>Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

No additional uploading/processing charges shall be payable by the Company to the SCSBs on the Bid cum Application Forms directly procured by them. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid book of BSE or NSE.

2) Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are procured by the members of the Syndicate / sub-Syndicate / Registered Brokers / RTAs / CDPs and submitted to SCSBs for blocking, would be as follows.

Portion for Retail Individual Bidders <sup>#</sup>	Rs. [•] per ASBA form (plus GST)
Proportion of Non-Institutional Bidders <sup>#</sup>	Rs. [•] per ASBA form (plus GST)

<sup>#</sup>Based on valid Bid cum Application Forms.

3) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are procured by members of the Syndicate (including their sub-Syndicate members), RTAs and CDPs would be as follows:

Portion for Retail Individual Bidders <sup>#</sup>	[•]% of the amount allotted (plus GST)
Proportion of Non-Institutional Bidders <sup>#</sup>	[•]% of the amount allotted (plus GST)

- 4) *Bidding/uploading Charges payable to members of the Syndicate (including their Sub-Syndicate Members), Registered Brokers, CRTAs and CDPs on the portion for Retail Individual Bidders and Non-Institutional Bidders, which are procured by them and submitted to SCSB for blocking, would be ₹[•] per valid application. The selling commission and Bidding Charges payable to the Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.*

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 Prospectus, which are proposed to be repaid from the Net Proceeds of the Issue.

However, if the Company avails any bridge loans from the date of the Prospectus upto the date of the IPO; the same shall be refunded from the IPO proceeds and related details will be updated in the Prospectus or likewise.

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

As the size of the Issue will not exceed ₹ 10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full

### **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, 1934. Our Company confirms that it shall not use the Net Proceeds for any purpose other than abovementioned objects.

### **Variation in Objects**

In accordance with Section 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. 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**

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 Group Companies except in the normal course of business in compliance with applicable law.

## BASIS FOR 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 Rs.10/- and Issue Price is Rs. [•]/- per Equity Shares and is [•] times of the face value. Investors should read the following basis with the sections titled “Risk Factors” and “Financial Information” and the chapter titled “Our Business” beginning on Page No. 25, 137 and 87 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:

- Experienced Management team having domain knowledge to scale up and expand into new opportunities;
- Wide product portfolio addressing the needs of varied customers across the industry;
- Dedicated technical & functional team to provide solutions to our customers;
- Extensive Sales and distribution network;
- Experience of handling large & complex projects;
- Multi-year relationships with most customers;
- Improving operational efficiency.

For further details regarding some of the qualitative factors, which form the basis for computing the Issue Price, please refer chapter titled “Our Business” beginning on Page No. 87 of this Draft Prospectus.

### Quantitative Factors

The information presented in this section for the audited financial statements of the Company for the financial year ended March 31, 2022, 2021 and 2020 prepared in accordance with IND AS, the Companies Act and Restated in accordance with SEBI ICDR Regulations. For more details on financial information, investors please refer the chapter titled “Restated Financial Statements” beginning on Page No. 137 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”)

	Basic & Diluted	
	EPS (in Rs.)	Weights
March 31, 2020	0.27	1
March 31, 2021	0.60	2
March 31, 2022	7.15	3
<b>Weighted Average</b>		3.82

#### 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 along 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 the section titled “*Financial Information*” beginning on Page No. 137 of this Draft Prospectus.

**2) Price Earnings Ratio (“P/E”) in relation to the Price of Rs. [•]/- per share of Rs. 10/- each**

Particulars	P/E*
P/E ratio based on Basic and Diluted EPS as at March 31, 2022	[•]
P/E ratio based on Weighted Average EPS	[•]

\*The same shall be updated once IPO Price is finalised and updated in the Prospectus prior to opening of the Issue.

**3) Industry Price / Earning (P/E) Ratio**

Particulars	Industry P/E
Highest	48.84
Lowest	#
Average	48.84

#The Peer Company is a loss making company as on March 31<sup>st</sup>, 2022.

**Note:**

The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

**4) Average Return on Net worth (RONW)**

Period / Year ended	RoNW (%)	Weight
March 31, 2 2020	2.55	1
March 31, 2 2021	3.025	2
March 31, 2 2022	33.05	3
<b>Weighted Average</b>	<b>17.96</b>	

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

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

**5) Net Asset Value Per Share (NAV)**

Financial Year	NAV (in Rs.)
NAV as at March 31, 2021	17.00
NAV as at March 31, 2022	22.00
NAV after Issue – at Issue Price	[•]
Issue Price (in Rs.)	[•]

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

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

**6) Comparison with Industry Peers**

The following peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses:

Name of the Company	CMP*	EPS (₹)	Face Value (₹)	P/E Ratio*	RoNW (%)	NAV Per Share	Total Income (₹ in lakhs)
<b>Peer Group</b>							
Nelcast Limited	80.1	1.64	2	48.84	3.20%	51.08	93,674.35
Bhagwati Autocast Limited	227.05	-3.32	10	#	-3.55%	93.75	11,226.60
<b>The Company</b>							
Pritika Engineering Components Limited	[•]	7.15	10.00	[•]	33.05%	22.00	5,739.58

\*Source: All the financial information for listed industry peers mentioned above is on consolidated basis, sourced from the filings made with stock exchanges, available on [www.bseindia.com](http://www.bseindia.com) for the Financial Year ending March 31, 2022. The CMP and related figures are as on September 09, 2022.

#The Peer Company is a loss making company as on March 31<sup>st</sup>, 2022.

The Company in consultation with the Lead Manager believes that the Issue price of Rs. [•] 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 Rs. 10/- per share and the Issue Price is [•] times of the face value i.e. Rs. [•] per share.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors  
Pritika Engineering Components Limited

Dear Sirs,

**Sub: Statement of possible special tax benefits available to Pritika Engineering Components Limited (“the Company”) and its shareholders under direct and indirect tax laws**

We refer to the proposed issue of equity shares of Pritika Engineering Components Limited (“the Company”). We enclose herewith the annexure showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the direct and indirect tax laws, including the Income-tax Act, 1961, The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, Customs Act, 1962 and Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2021, presently in force in India for inclusion in the Draft Prospectus (“DP”) for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Income-tax Act 1961. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DP for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

### LIMITATIONS

*Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is 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 and the interpretation of the existing tax laws in force in India 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. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.*

*This statement has been prepared solely in connection with the offering of Equity shares by the Company under the Securities and Exchange Board of India (“SEBI”) (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the Issue).*

**For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Regn No: 003645N**

**S/d  
CA Sunil Kumar Gupta  
Partner  
Membership No. 082486**

**Place: New Delhi  
Date: 30<sup>th</sup> July, 2022**

**ICAI UDIN: 22082486ANXTKY6441**

## **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS**

### **Direct Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 ('the Act'), as amended by Finance Act, 2021 i.e., applicable for Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India

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

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has applied section 115BAA for the assessment year 2020-21.

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

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

### **Indirect Taxation**

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications ("GST law"), the Customs Act, 1962, Customs Tariff Act, 1975 ("Customs law") and Foreign Trade Policy 2015-2020 ("FTP") (collectively referred as "Indirect Tax").

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

**As per Industrial Development and Business Policy-2017 of Gov't of Punjab, the following fiscal incentives are available.**

- . Reimbursement of 100% of Net GST Incentive for 7 years upto 100% of FCI.
- . 100% exemption from Electricity Duty for 7 years
- . 100% exemption/reimbursement from stamp duty
- . Reimbursement of 50% of expenses upto Rs. 5 lakh under ZED scheme of GOI
- . Assistance for Finance, Technology, Infrastructure, Marketing & Exports

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

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

#### **Global Economic Overview**

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also have limited growth prospects.

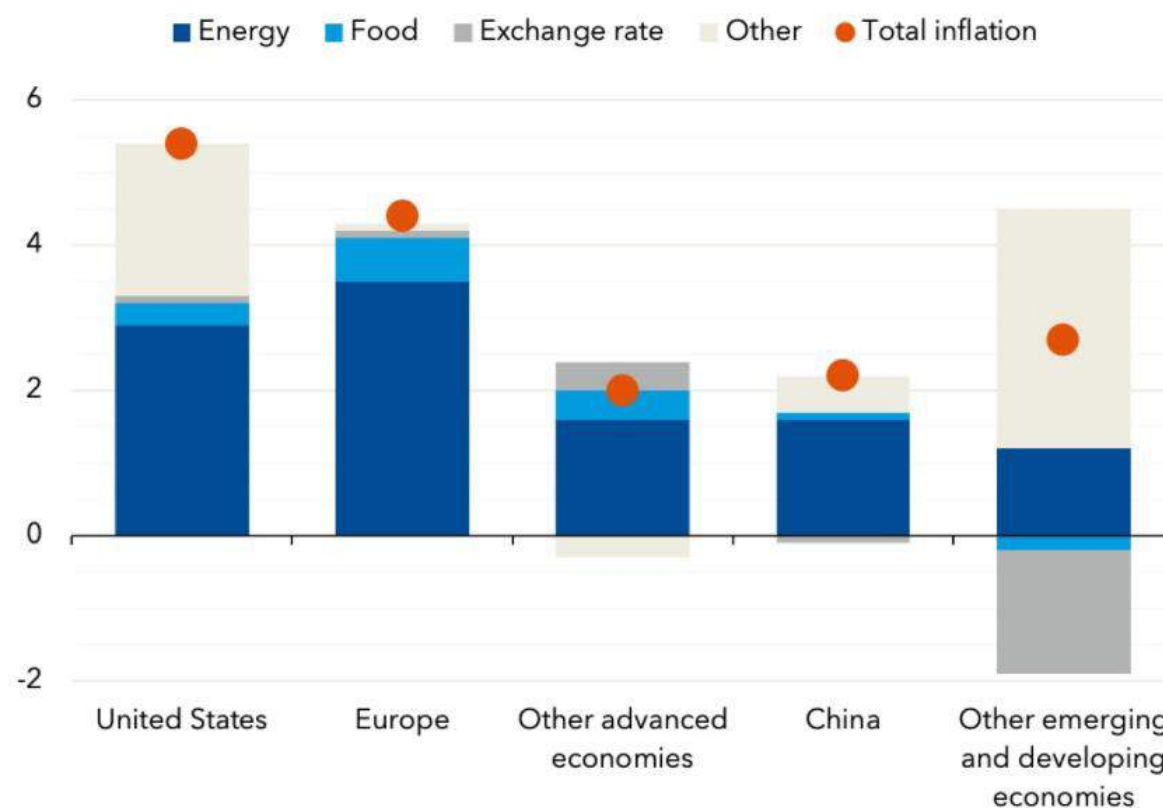
Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022—half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end-2022, assuming vaccination rates improve worldwide and therapies become more effective.

Elevated inflation is expected to persist for longer than envisioned in the October WEO, with ongoing supply chain disruptions and high energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds.

Risks to the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures mean uncertainty around inflation and policy paths is high. As advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years—may emerge. Other global risks may crystallize as geopolitical tensions remain high, and the ongoing climate emergency means that the probability of major natural disasters remains elevated.

With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is essential to reduce the risk of further dangerous COVID-19 variants. This requires increased production of supplies, as well as better in-country delivery systems and fairer international distribution. Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed. Investing in climate policies remains imperative to reduce the risk of catastrophic climate change.

The following graph shows the rise in inflation across the globe due to varying factors.



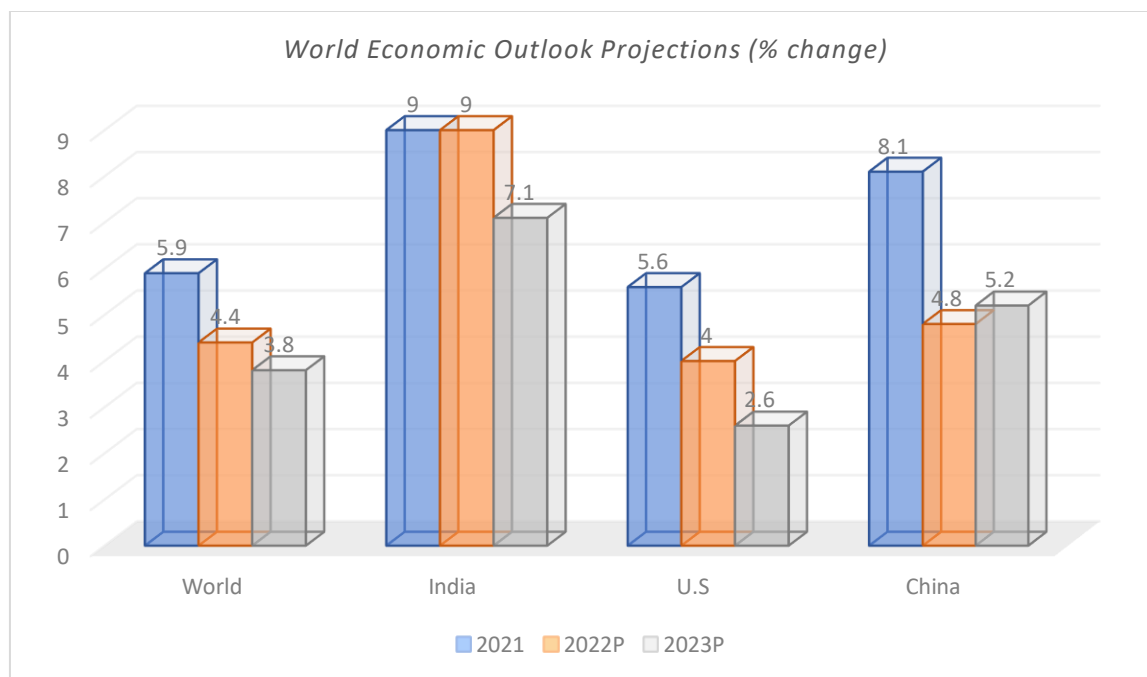
(Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022>)

### Emerging Markets Lead the Rebound

Emerging markets, excluding China, have faced numerous cyclical challenges in recent years. Now, with more favourable COVID-19 dynamics in many developing nations, emerging markets could set the pace for global growth. Morgan Stanley economists expect this momentum to continue into next year. At the same time, emerging markets should benefit from widening U.S. current account deficits, low U.S. real interest rates, a weaker dollar, and accommodative macroeconomic policies.

*World Economic Outlook Projections (% change)*

	2021	2022P	2023P
<b>World Output</b>	<b>5.9</b>	<b>4.4</b>	<b>3.8</b>
<b>Advanced Economies</b>	<b>5.0</b>	<b>3.9</b>	<b>2.6</b>
India	9.0	9.0	7.1
U.S	5.6	4.0	2.6
France	6.7	3.5	1.8
Brazil	4.7	0.3	1.6
Russia	4.5	2.8	2.1
Japan	1.6	3.3	1.8
U.K	7.2	4.7	2.3
Germany	2.7	3.8	2.5
China	8.1	4.8	5.2
<b>Emerging Market &amp; Developing Economies</b>	<b>6.5</b>	<b>4.8</b>	<b>4.7</b>



(Source: <https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022>)

### **Indian Economic Overview**

The Indian economy has fully recovered to the pre-pandemic real GDP level of 2019-20, according to the provisional estimates of GDP released on May 31, 2022. Real GDP growth in FY 2021-22 stands at 8.7%, which is 1.5% higher than the real GDP in FY 2019-20. These figures are associated with stronger growth momentum, indicating increased economic demand. The investment rate in the fourth quarter increased to its highest level in the previous nine quarters. Moreover, capacity utilisation in the manufacturing sector rose in the fourth quarter, as against the third quarter, implying a build-up in demand, which is consistent with the growth objectives of the Indian economy.

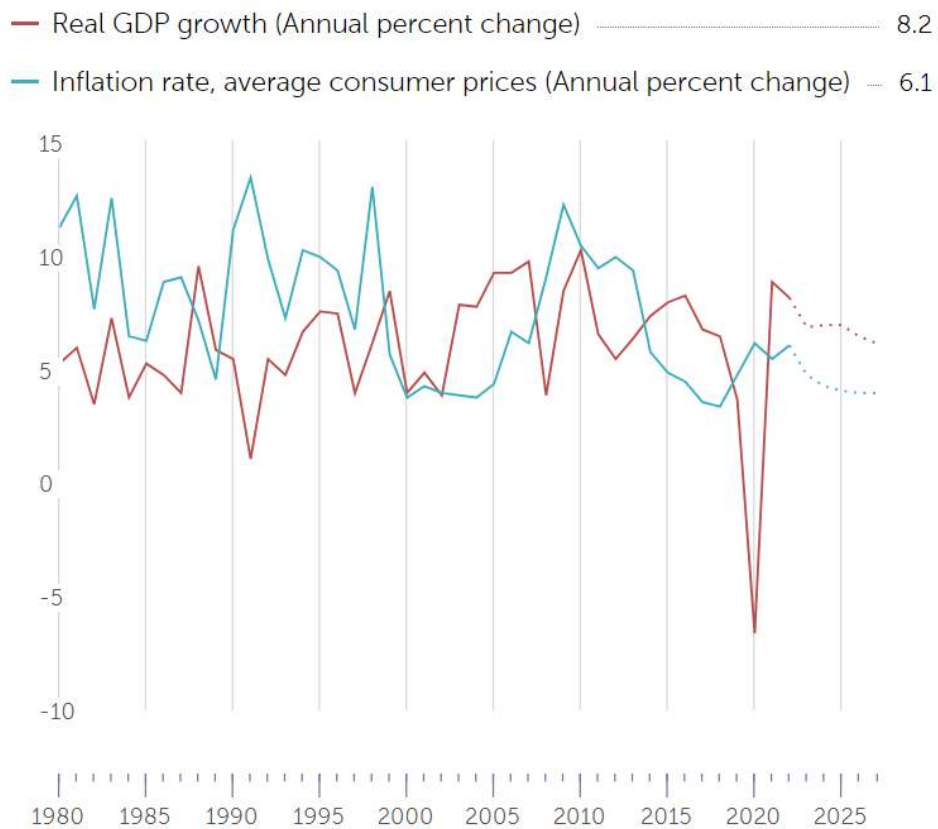
Future capital spending of the government in the Indian economy is expected to be supported by factors such as tax buoyancy, streamlined tax system, thorough assessment and rationalisation of the tariff structure and digitisation of tax filing. In the medium term, an increase in capital spending on infrastructure and asset-building projects is set to increase growth multipliers. Furthermore, revival in monsoon and Kharif sowing helped the agriculture sector gain momentum. As of July 11, 2022, the South-West monsoon has covered the entire country, resulting in 7% higher rainfall than the normal level.

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

(Source: <https://www.ibef.org/economy/indian-economy-overview>)

### **GDP and Inflation rate in India**



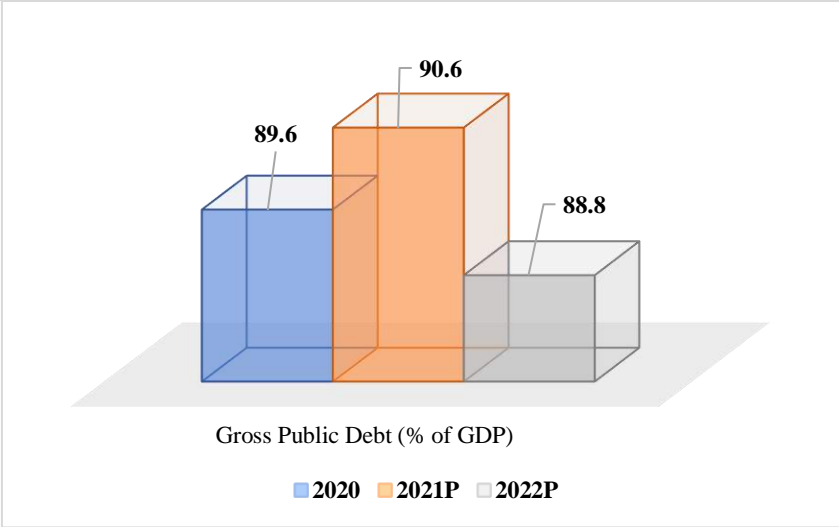
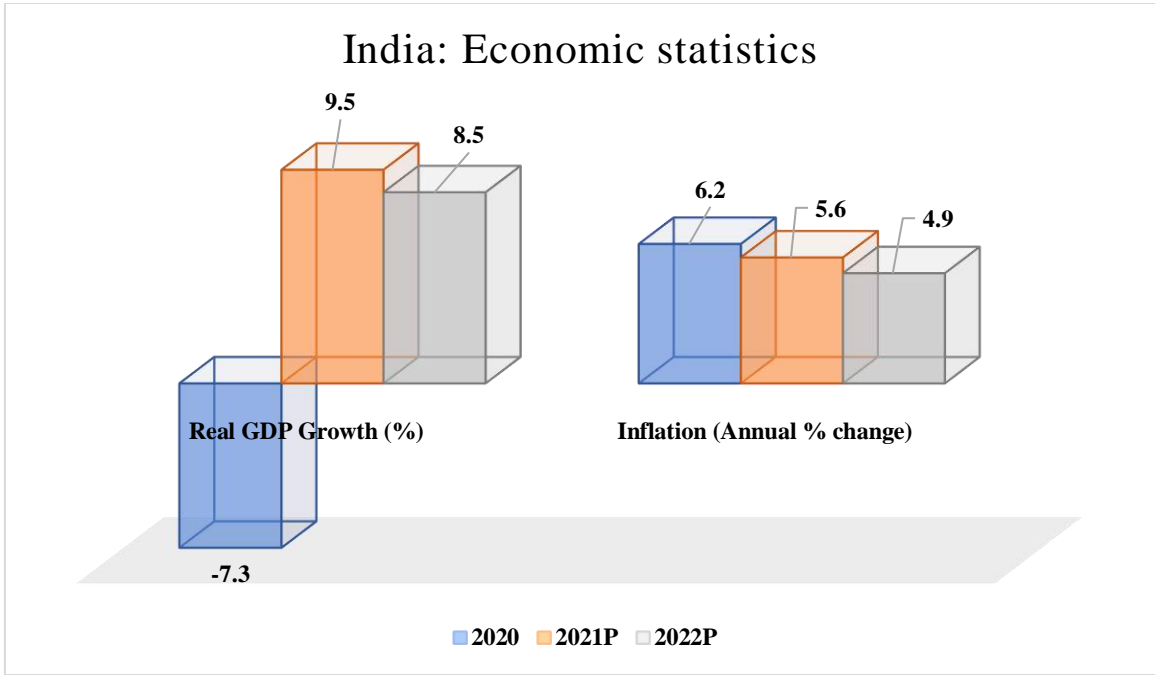


(as on April, 2022)

(Source: <https://www.imf.org/en/Countries/IND>)

India's economy is poised for a rebound after enduring a second wave of COVID-19 infections this year that further constrained activity and took a heavy toll on its people.

India's broad range of fiscal, monetary and health responses to the crisis supported its recovery and, along with economic reforms, are helping to mitigate a longer-lasting adverse impact of the crisis.



(Source: <https://www.imf.org/en/News/Articles/2021/11/02/na111121-indias-economy-to-rebound-as-pandemic-prompts-reforms>)

Following the deadly ‘second wave,’ growth in FY22 is expected to be nearer to the lower bound of the range of 7.5 to 12.5 percent – still putting India among the fastest growing economies in the world. The pace of vaccination, which is increasing, will determine economic prospects this year and beyond. Successful implementation of agriculture and labour reforms would boost medium-term growth, while weakened household and corporate balance sheets may constrain it. The economic slowdown triggered by the outbreak is believed to have had a significant impact especially on poor and vulnerable households. Recent projections of GDP per capita growth, taking into account the impact of the pandemic, suggest that poverty rates in 2020 have likely reverted to estimated levels in 2016.

The informal sector, where the vast majority of India’s labour force is employed, has been particularly affected. As in most countries, the pandemic has exacerbated vulnerabilities for traditionally excluded groups, such as youth, women, and migrants. Labour market indicators suggest that urban households are now more vulnerable to fall into poverty than they were before the onset of the pandemic.

The response of the government to the COVID-19 outbreak has been swift and comprehensive. A national lockdown to contain the health emergency was complemented by a comprehensive policy package to mitigate the impact on the

poorest households (through various social protection measures) as well as on small and medium enterprises (through enhanced liquidity and financial support).

To build back better, it will be essential for India to stay focused on reducing inequality, even as it implements growth-oriented reforms to get the economy back on track. The World Bank is partnering with the government in this effort by helping strengthen policies, institutions, and investments to create a better future for the country and the people through green, resilient and inclusive development.

In response to the COVID-19 shock, the government and the Reserve Bank of India took several monetary and fiscal policy measures to support vulnerable firms and households, expand service delivery (with increased spending on health and social protection) and cushion the impact of the crisis on the economy. Thanks in part to these proactive measures, the economy is expected to rebound.

(Source: <https://www.worldbank.org/en/country/india/overview#1>)

Real GDP of India increased by 8.4% YoY in Q2 of FY 22, recovering more than 100% of pre-pandemic output in the equivalent quarter of FY 20. India is one of the few countries to have grown for four consecutive quarters in Covid-19 (Q3, Q4 of FY21 and Q1, Q2 of FY22), demonstrating the economy's resiliency.

The recovery was fuelled by a resurgence in the services sector, a complete recovery in manufacturing, and continued expansion in the agriculture sector. In addition to successful pandemic management and signalling impact of promised measures, recovery was aided by a quick increase in vaccine coverage from 32% of the adult population at the end of Q1 to 75% at the end of Q2 of FY 22. According to the latest GDP estimates issued by the NSO, the Indian economy increased by 8.4% YoY in Q2 of FY 22, after growing by 20.1% YoY the previous quarter.

(Source: <https://www.ibef.org/economy/monthly-economic-report>)

### **Automotive Parts and Components market – Global**

Auto components refer to the spare parts and replacement parts that are used in an automobile. Auto components are the various equipment installed in an automobile for performing specific functions. They can be broadly categorized into two types: mechanical and electrical systems. A car may require a clutch, flywheel, or brakes, depending on whether it is light-weighted like a passenger vehicle (PC) or heavy-weight such as a commercial vehicle (LCV and HCV). The most common auto components are engines, brakes, suspensions, steering wheels, etc. An automotive component is a single part of the overall vehicle system that has been engineered to fulfill one or more functions at different stages throughout its life cycle. Auto components are the parts, pieces, and equipment related to different types of vehicles. Auto components include all mechanical devices that have been attached to a vehicle to function properly.

Auto parts and components include bodies, chassis, interiors, exteriors, seating, powertrains, electronics, mirrors, closures, roof systems & modules, etc. All the parts and components are installed in a car to supply the best driving experience.

Robert Bosch, Denso Corp., Magna International, Continental and ZF Friedrichshafen are the leaders of the Automotive Parts and Components industry, which take about 10% market share. China is the major region of the global market, which takes about 25% market share.

India holds the pole position with an annual production of about a million units in FY21, almost half of the global volume. Last year the domestic sales stood at 900,000 and exports were at 100,000 units. India's tractor industry contributes USD 4 billion to 5 billion to the country's automotive component industry.

(Source: <https://auto.economictimes.indiatimes.com/>)

### **Covid-19 impact on the industry – Global**

COVID-19 sickness began to spread all over the world at the beginning of 2021, infecting countless individuals in general, and important governments all over the world imposed foot restrictions and work stoppage orders. Aside from the clinical supplies and life support items organizations, most endeavours have been significantly impacted, and Automotive Parts and Components adventures have been severely impacted.

(Source: <https://www.globenewswire.com/2022/Global-Automotive-Parts-and-Components>)

## Trends

The automotive industry is rapidly growing due to the introduction of new innovations, which is bolstering the growth of the auto parts manufacturing industry. Therefore, the key players are aligning their strategies to the prevalent trends in order to maintain competitiveness in such a dynamic environment. For example, the demand for auto parts manufacturing is expected to expand in the coming years by introducing the latest technology in automotive engine radiators. Leading industries are now planning to manufacture lightweight car parts to produce components, which are significantly lightweight and much more fuel-efficient than their predecessors. Owing to stricter environmental regulations leading to the replacements in motor cars and their engines, the amount of scrap is higher in developed countries compared to the developing world. Similarly, in developed countries, the use of new technologies and innovations in motors like hybrid motors is more prevalent than developing countries. The demand for manufacturing new vehicles with reduced consumption of fuel is stimulated by increasing government support with relatively stricter emission standards, resulting in the higher demand for automotive parts. These factors are expected to support the growth of the global market for auto parts manufacturing.

The Asia Pacific emerged as a significant market for auto parts manufacturing in 2020. The region is also anticipated to be a major global market, witnessing a robust growth rate. New technology applications in the field of producing automotive parts are expected to boost the automotive sales in the region. The regional market is being driven by an increase in the production and sales of vehicles and passenger cars and the digitisation of distribution systems for automotive components.

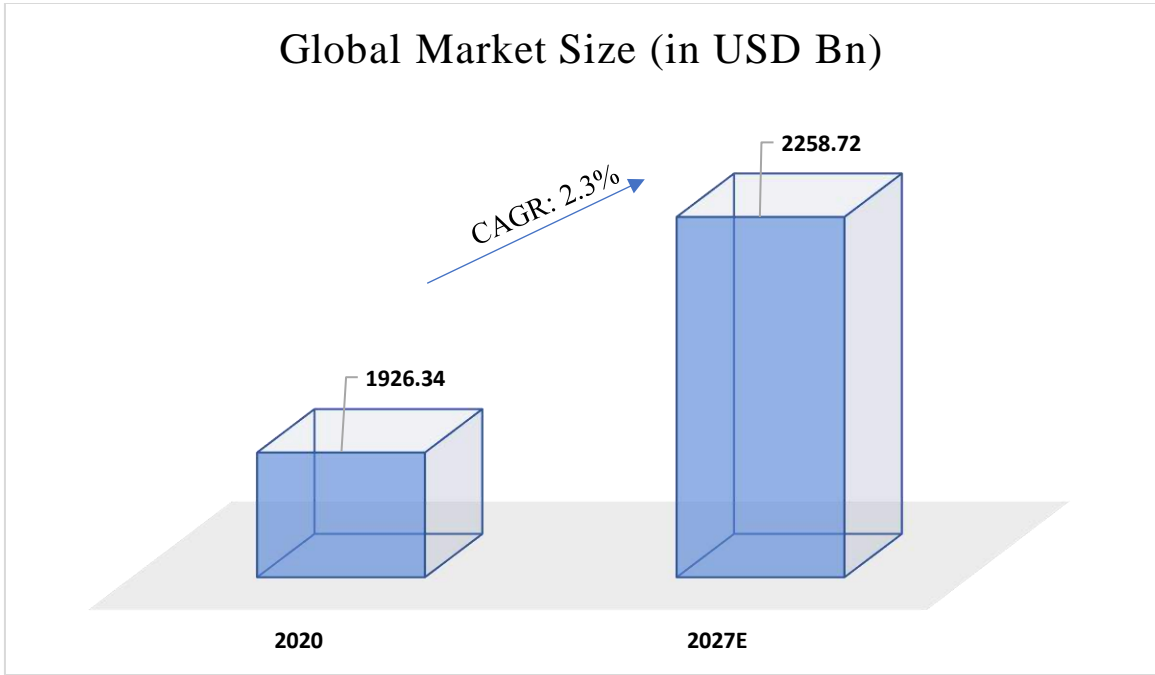
Governments around the globe also have stringent vehicle emission regulations for product manufacturers to manufacture environmentally sustainable and highly effective automobile products for both the domestic and international markets, which is likely to boost the market demand. In recent years, there have been considerable development in the automotive industry, with developing markets like China, India, and Brazil anticipated to boost market growth globally.

The increasing use of smaller tractors for performing specific agricultural tasks is a key trend being observed in the Indian tractor market. Small tractors are increasingly being used for different activities, such as mowing grass, cleaning up the piles, and hauling. This helps in increasing the efficiency of the farming activities, as a particular tractor is assigned to perform a specific task. Additionally, it helps reduce the cost for the farmers, who can now buy the tractor for serving their specific purpose only, without hampering the utility of the larger tractors. Rapid urbanization and growth in population, expansion in industrialization and investments by governments in logistics are main drivers of commercial vehicle industry growth.

(Source: <https://www.expertmarketresearch.com/reports/auto-parts-manufacturing-market>;  
<https://www.psmarketresearch.com/market-analysis/india-tractor-market>;  
<https://www.fortunebusinessinsights.com/commercial-vehicle-market-104284>)

## Market size

The Global Automotive Parts and Components Market Size is expected to reach 2258.72 Billion By 2027.



(Source: <https://www.globenewswire.com/2022/Global-Automotive-Parts-and-Components>)

#### **Automotive Parts and Components market – India**

The Indian auto-components industry has experienced healthy growth over the last few years. The auto-components industry expanded by a CAGR of 3.28% from FY16 to FY20 to reach US\$ 45.90 billion in FY21. The industry is expected to reach US\$ 200 billion by FY26.

Due to high development prospects in all segments of the vehicle industry, the auto component sector is expected to rise by double digits in FY22.

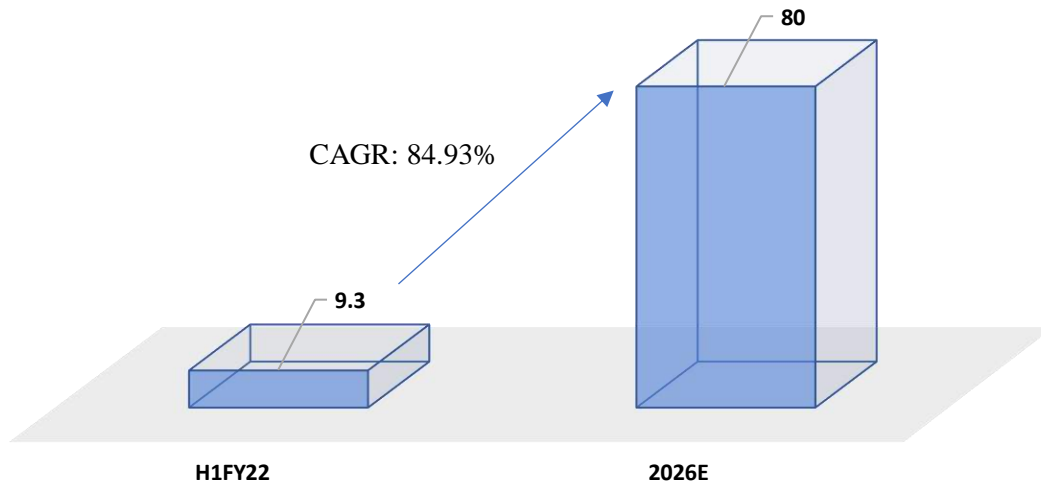
The auto-components industry accounts for 7.1% of India’s Gross Domestic Product (GDP) and employs as many as 5 million people directly and indirectly. A stable government framework, increased purchasing power, large domestic market, and an ever-increasing development in infrastructure have made India a favourable destination for investment.

#### **Market Size**

The industry can be broadly classified into organised and unorganised sectors. The organised sector caters to original equipment manufacturers (OEMs) and consist of high-value precision instruments while the unorganised sector comprises low-valued products and caters mostly to the aftermarket category.

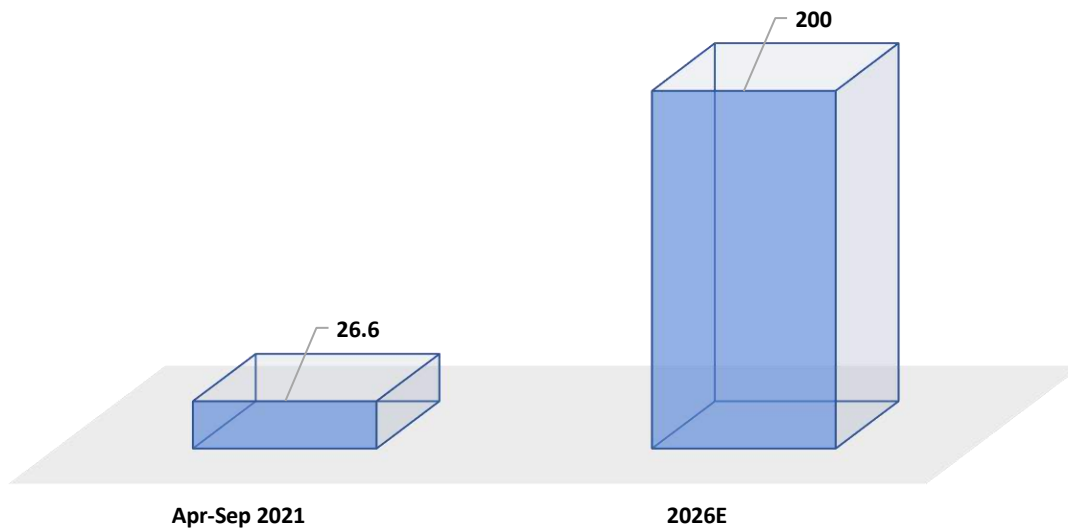
The automobile component industry turnover stood at Rs. 1.96 lakh crore (US\$ 26.6 billion) between April–September 2021 and is expected to witness revenue growth of 15-17% during the fiscal year.

## Indian Industry Exports (in USD Bn)



In first half of FY22, exports of auto components grew by 76% to Rs. 68,746 crore (US\$ 9.3 billion). As per the Automobile Component Manufacturers Association (ACMA) forecast, automobile component exports from India is expected to reach US\$ 80 billion by 2026. The Indian auto components industry is expected to reach US\$ 200 billion in revenue by 2026.

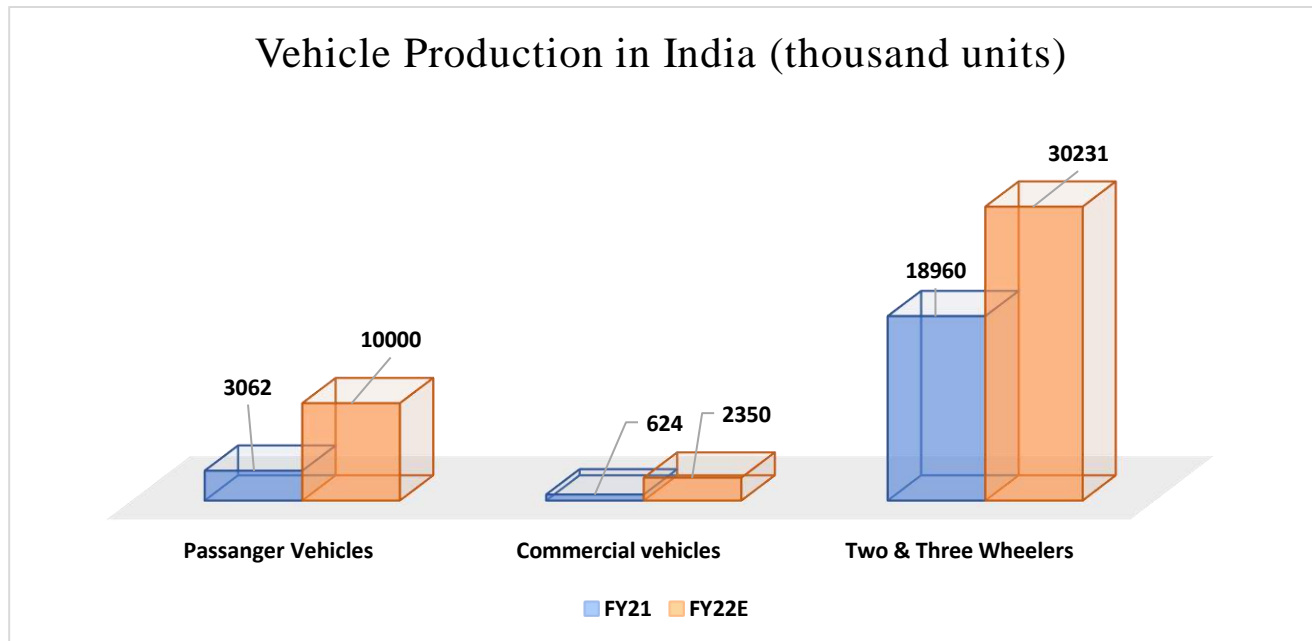
## Indian Industry Turnover (in USD Bn)



Strong international demand and resurgence in the local original equipment and aftermarket segments are predicted to help the Indian auto component industry grow by 20-23% in FY22.

(Source: <https://www.ibef.org/industry/autocomponents-india>)

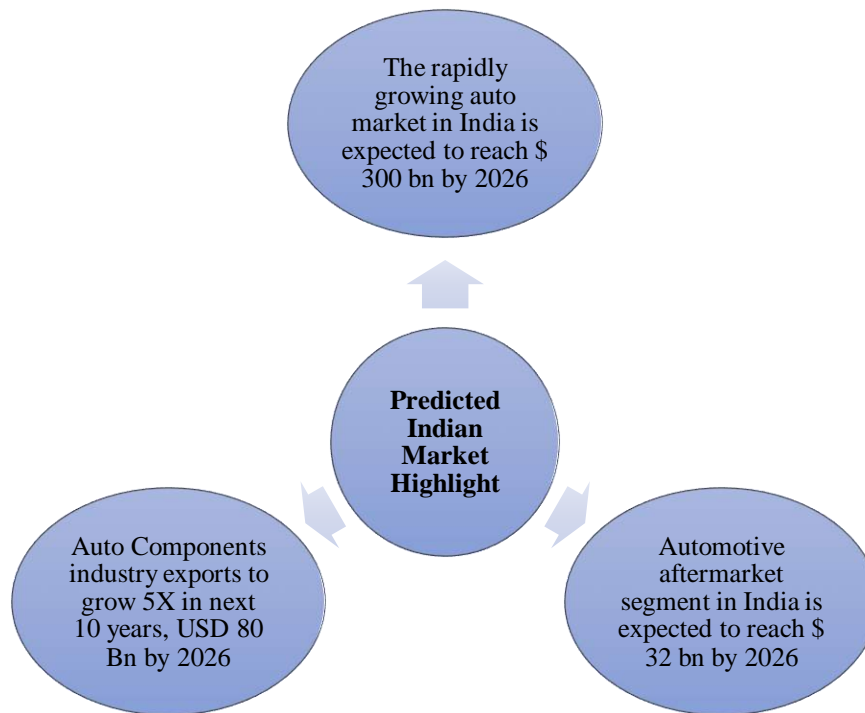
## Industry trends



- Production of two wheelers, passenger vehicles, commercial vehicles and three wheelers reached 17.71 million, 3.65 million, 0.80 million, and 0.75 million, respectively, in FY22.
- FAME - India Scheme formulated by Department of Heavy Industry, led to a continuous increase in registered OEMs and vehicle models. Also, the scheme enhanced the sales of EVs and about 261,507 electric/hybrid vehicles were supported under the scheme up to December 6, 2018. In February 2019, the Government approved FAME-II scheme with a fund requirement of Rs. 10,000 crore (US\$ 1.39 billion) for FY20-22.
- Under National Automotive Testing and research and development (R&D) Infrastructure Project (NATRiP), various facilities including passive safety labs comprising of crash core facility and crash instrumentations including dummies were established at ICAT-Manesar and ARAI-Pune.
- To give a fresh thrust to E-mobility in public transport, Department of Heavy Industry announced the launch of public and shared mobility based on electric powertrain.

The Government of India's Automotive Mission Plan (AMP) 2006-2026 has come a long way in ensuring growth for the sector. Indian Automobile industry is expected to achieve a turnover of US\$ 300 billion by 2026 and will grow at a CAGR of 15% from its current revenue of US\$ 74 billion. The Foreign Direct Investment (FDI) inflow into the Indian automotive industry between April 2000-March 2022 stood at US\$ 32.84 billion.

(Source: <https://www.ibef.org/industry/autocomponents-india>)



(Source: <https://www.investindia.gov.in/sector/auto-components>)

### Automobile Industry - India

India's annual production of automobiles in FY22 was 22.93 million vehicles.

The two wheelers segment dominates the market in terms of volume owing to a growing middle class and a huge percentage of India's population being young. Moreover, the growing interest of companies in exploring the rural markets further aided the growth of the sector.

India is also a prominent auto exporter and has strong export growth expectations for the near future. In addition, several initiatives by the Government of India and major automobile players in the Indian market are expected to make India one of the leaders in the two wheeler and four wheeler market in the world by 2022.

The India passenger car market was valued at US\$ 32.70 billion in 2021, and it is expected to reach a value of US\$ 54.84 billion by 2027, while registering a CAGR of over 9% between 2022-27.

The electric vehicle (EV) market is estimated to reach Rs. 50,000 crore (US\$ 7.09 billion) in India by 2025.

According to NITI Aayog and the Rocky Mountain Institute (RMI), India's EV finance industry is likely to reach Rs. 3.7 lakh crore (US\$ 50 billion) by 2030. A report by the India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, projection for the EV battery market is expected to expand at a CAGR of 30% during the same period.

(Source: <https://www.investindia.gov.in/sector/auto-components>)

### Manufacturing Industry - India

Manufacturing has emerged as one of the high growth sectors in India. India's gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US\$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22. The manufacturing GVA at current prices was estimated at US\$ 77.47 billion in the third quarter of FY22.

India has potential to become a global manufacturing hub and by 2030, it can add more than US\$ 500 billion annually to the global economy.

As per the survey conducted by the Federation of Indian Chambers of Commerce and Industry (FICCI), capacity utilisation in India's manufacturing sector stood at 72.0% in the second quarter of FY22, indicating significant recovery in the sector.



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

### **Future outlook**

India is an attractive hub for foreign investments in the manufacturing sector. Several mobile phone, luxury and automobile brands, among others, have set up or are looking to establish their manufacturing bases in the country.

The rapidly globalising world is opening newer opportunities for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe, and reliable mode of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers, who would need to adapt change via systematic R&D.

As per ACMA forecasts, automobile component export from India is expected to reach US\$ 80 billion by 2026. With shift in global supply chains, the Indian global automotive component trade is likely to expand at ~4-5% by 2026.

In December 2020, Power PSU JV EESL announced plan to install ~500 electric vehicle (EV) charging stations in the country in fiscal 2020-21. As of March 2021, there were 1,800 charging stations and this is expected to reach 4 lakh by 2026.

The Indian auto-components industry is set to become the third largest in the world by 2025. Indian auto-component makers are well positioned to benefit from the globalisation of the sector as export potential could be increased by up to US\$ 30 billion by 2021E.

(Source: <https://www.ibef.org/industry/autocomponents-india>)

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

## OUR BUSINESS

*Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You shall read the chapter titled “Forward Looking Statements” beginning on Page No. 18 of this Draft Prospectus, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ending March 31 of that year.*

*The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on Page No 25 and 137 respectively.*

Unless otherwise stated, all references in this section to “Pritika” or “the Company” or “our Company” or “we” or “our” or “us” are to Pritika Engineering Components Limited.

### **BUSINESS OVERVIEW**

Our Company was incorporated as ‘Pritika Engineering Components Private Limited’ as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Chandigarh dated 20th February, 2018 at its registered office situated at Plot No.C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali, Punjab-160055. Pursuant to a special resolution of our Shareholders passed in the extra-ordinary general meeting held on 16th April, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to ‘Pritika Engineering Components Limited’, and a fresh certificate of incorporation dated 21st April, 2022 was issued to our Company by the Registrar of Companies, Chandigarh. The corporate identification number of our Company is U28999PB2018PLC047462.

Our Company caters to the tractor industry in the automotive sector with major dependency on Original Equipment Manufacturers. We Supply our product directly to OEM and through our promoter company Pritika Auto Industries Limited and group company Pritika Industries Limited. We engaged in the business of manufacturing of precision machined components primarily for automotive industry, especially for tractors, trucks, and other commercial vehicles, etc.

Our Company manufactures various Tractors & Automobile components like End Cover, Cover Sealed Brake, Differential Case, Cover Hydraulic Lift, Cover Transcase, Front Wheel hub, Fly Wheel Housing, Rear Axle Casings, Hydraulic Lift Covers, Brake Housing & Front Engine Supports etc.

With Vision to be First choice among Original Equipment’s Manufactures for Machined Castings & to be One of the Largest Producers of Machined Castings in India; Mission to Produce 35,000 MT of Machined Castings by Year 2025. In FY22, we manufactured 6619 MT with an installed capacity of 12000 MT.

Pritika Auto Industries Limited, having CIN L45208PB1980PLC046738 is the sole promoter of our Company. The Company was originally incorporated as a public limited Company on April 11, 1980 under the name and style of Hariganga Machineries and Engineering Services Limited with Registrar of Companies, Maharashtra. Subsequently, the name of the Company was changed to Shivkrupa Machineries and Engineering Services Limited on August 05, 2015. On March 16, 2017, the name of the Company was changed from Shivkrupa Machineries and Engineering Services Limited to Pritika Auto Industries Limited.

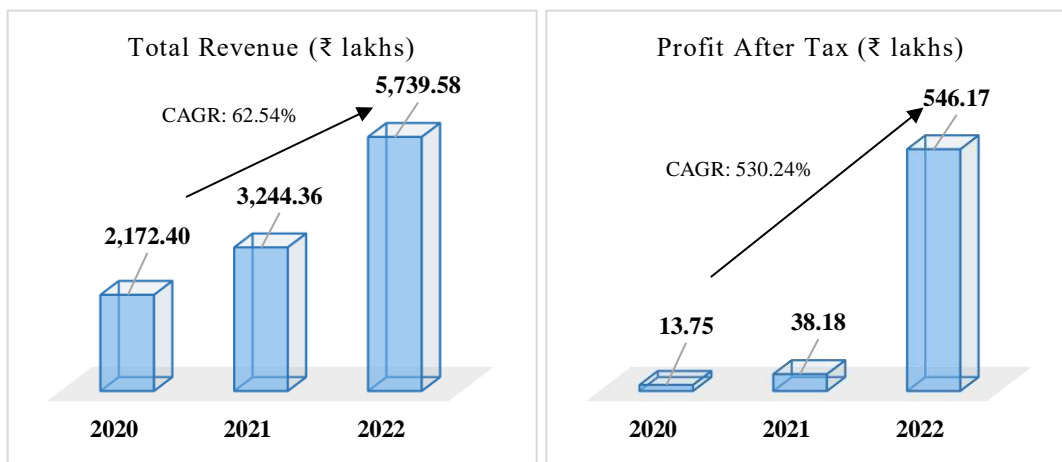
The company was previously listed on Calcutta Stock Exchange and the same was directly listed on the Bombay stock exchange dated October 01, 2015. The company intended to get directly listed on the National Stock Exchange of India Limited through Direct Listing, and received its listing approval dated August 10, 2021.

Application for delisting of the shares of the company was filed with Calcutta Stock Exchange dated February 21, 2017, order of which is awaited.

Our total revenue for 2021-22 is ₹ 5,739.58 lacs with a healthy EBITDA margin of 17.65%. Profit after tax margin is 9.52%. The EBITDA Margin for FY21 & FY20 remained consistently healthy of 10.88% & 12.09% respectively.

Our total revenue from FY20 to FY22 grew by 62.54% CAGR.

In FY20, FY21 & FY22, our unutilized capacity was 59%, 56% & 45% respectively, which shows a huge potential for growth in business.



Profit after Tax from FY20 to FY22 grew from ₹ 13.75 lacs to ₹ 546.17 lacs at 530.24% CAGR. Increase in sales, moderate increase in cost because of economies of scale and returns from sale of investments has resulted this growth.

The Long term Debt to Equity ratio has consistently decreased from 3.08 in FY20 & 1.32 in FY21, to 1.02 in FY22.

#### OUR LOCATIONAL PRESENCE:

**Registered Office:** Plot No.C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali; **Telephone:** +91 9878723399, 0172-5008900;

**Manufacturing Unit:** Village-Simbli, Phagwara- Hoshiarpur Road, Tehsil & District Hoshiarpur, Punjab- 146001

**E-mail:** pecl@pritikagroup.com; **Website:** www.pritikaengineering.com

#### OUR COMPETITIVE STRENGTH

##### *Quality standards*

Quality plays one of the most vital role in the success of any organization. We are focused on providing quality products. We constantly strived to improve our industrial processes at every step in the production chain. Our focus on quality is evidenced by the quality certifications and accreditations that our facility has obtained from recognized agencies such as IATF 16949:2016 and MSME Sustainable ZED Bronze Certification. We believe that ensuring global standard products will attract domestic and international customers to our Company.

##### *Experienced and professional management team*

We believe that our qualified and professional management team provides us a competitive advantage and enables us to function effectively and efficiently. Our management team have rich experience in the automotive industry. Our management team are supported by our experienced and professional management team having varied experience in finance, marketing, sales, product development, etc. Our management team brings focused abilities in product conceptualization to our business and we believe that their knowledge, global outlook and management ability would continue to contribute to our growth in future.

##### *Wide product range and product segments*

Our Company manufactures various components of several specifications. Our Company manufactures customized products for tractors, commercial vehicles & other construction equipments, etc which are supplied to Original Equipment Manufacturers (OEMs) directly/through our group companies.

We believe that maintaining a diverse portfolio in our business provides us with an opportunity to cater to diverse needs of our different customer segment.

##### *Legacy Business Process & Management*

Our management is inherited from our group companies. They have tried and tested business models, established supply chain, long standing customer relations, established goodwill and trust.

#### ***Strong & experienced R&D team***

With the ever changing business scenario, new products are always in development. So to cater to the customized needs of the OEMs, our group companies have a highly experienced R&D team who design various new & complicated parts as requested by our customers in competitive timeline.

### **OUR STRATEGY**

#### ***Strengthening relationship with existing customers and widen our customer base***

We look to further strengthen our relationship with our existing customers and meet their requirements. Whilst we continue to cater to our existing customers, we are emphasizing a lot on establishing new our relationship with prospective customers so that we can expand our customer base in other areas as well.

#### ***Effective Utilization of Funds and Resources***

The sustainability and profitability of our business lies in effective utilization of our resources. It involves lower rejection, prompt recovery, cost effective purchases, controlled inventory, preventive maintenance of machines and equipment and constant endeavor to improve process timings and thereby increasing the productivity.

#### ***Brand Image***

We would continue to associate ourselves with good quality customers and execute orders to their utmost satisfaction. We are highly conscious about our brand image and intend to continue our brand building exercise by providing excellent services to the satisfaction of the customers.

#### ***Continue to expand and increase production capacity***

Our Company constantly endeavors to explore opportunities to expand our operations by developing new products and services within our existing lines of business. We expect that the increase in our product base will result in an increase in customer base and enable us target more customers and market segments.

#### ***Continue to improve operational efficiencies and cost competitiveness continuously***

We continue to adopt best practices and standards across our manufacturing facilities, drawing on our management's expertise and experience in plant management. We continue to increase efficiencies through comprehensive product planning resulting in increased utilization rates and reduction in cost of production.

#### ***Focus on consistently meeting quality standards***

Presently, Our Company is certified from IATF 16949:2016 and MSME Sustainable ZED Bronze Certification. We intend to focus on adhering to the quality standards of the products. This is necessary so as to make sure that we get repeat orders from our customers. This will also aid us in enhancing our brand value.

#### ***To build an in-house R&D team***

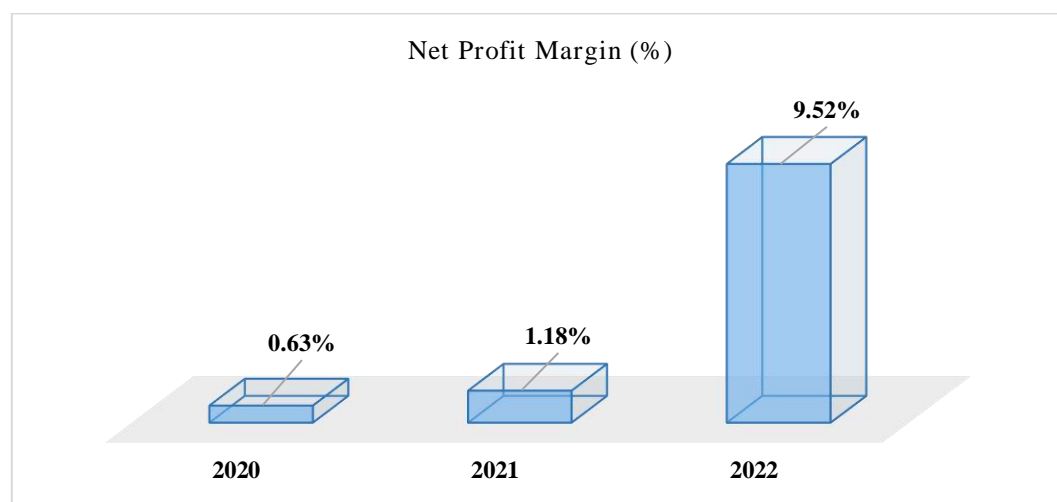
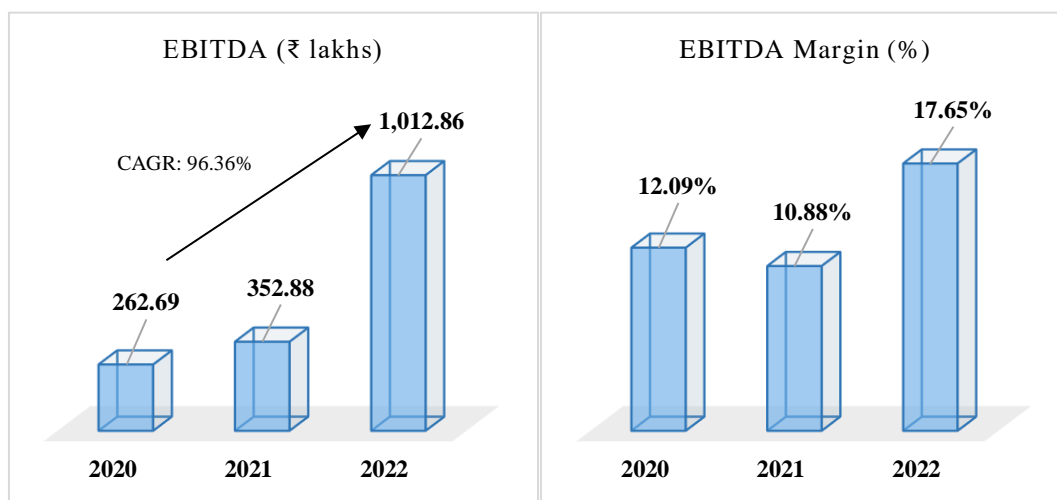
Currently, our group companies have a shared R&D team who are highly skilled and experienced and they are sufficient for our current scale of operations. But with our vision of growth and expansion, we are planning to have an in-house R&D team who can cater to our needs with lesser time. This high efficiency of delivery would help us bring in more orders which is in line with our growth vision.

### **FINANCIAL SNAPSHOT**

Financial Snapshot of our Company as per Restated Financial Information is as under:

<b>Particulars (in ₹ lacs)</b>	<b>For the year ended march 31, 2022</b>	<b>For the year ended march 31, 2021</b>	<b>For the year ended march 31, 2020</b>
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<b>Total revenue</b>	5,739.58	3,244.36	2,172.40
<b>Cost of materials consumed</b>	3,472.90	2,045.03	1,279.89
<b>EBITDA</b>	1,012.86	352.88	262.69
<b>EBITDA Margin (%)</b>	17.65%	10.88%	12.09%
<b>Finance costs</b>	219.34	190.53	169.59
<b>Depreciation and amortization expense</b>	206.36	104.12	78.17
<b>PBT</b>	587.16	58.23	14.93
<b>PAT</b>	546.17	38.18	13.75
<b>PAT MARGIN (%)</b>	9.52%	1.18%	0.63%
<b>EPS ( basic&amp; diluted)</b>	7.15	0.60	0.27



*From the above charts we can see the Earning Before Interests, taxes, Depreciation and Amortization has increased at a CAGR of 96.36%, and Earning Before Interests, taxes, Depreciation and Amortization margin has remained consistent and has increased slightly. The net profit margin has also risen.*

**Note:**

1. EBITDA Margin = (Restated profit before tax + Finance Cost + Depreciation and amortization expense)/ Total Revenue;
2. PAT Margin = PAT/ Total Revenue

**BUSINESS PROCESS**



*(Some photos of our employees working in the Works)*

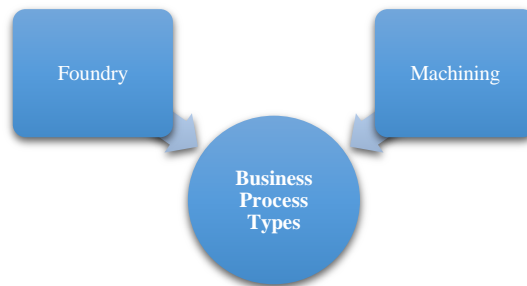
### **Our Business Process**

The demand from client is sourced through sale & marketing department. Upon receipt of the demand, the process of production commences. Procurement of raw material is planned accordingly. Thereafter the Production department creates the production schedule (monthly/weekly/daily/shift wise). The manufacturing process is as follows: Core Making, Molding, Melting, Pouring, Shakeout, Short Blasting, Fettling, Inspection, Painting and Machining.

The final product is sent to the Store & Sales Department that takes care of supplying it to the end customers.

Our business processes are mainly comprising of two processes:

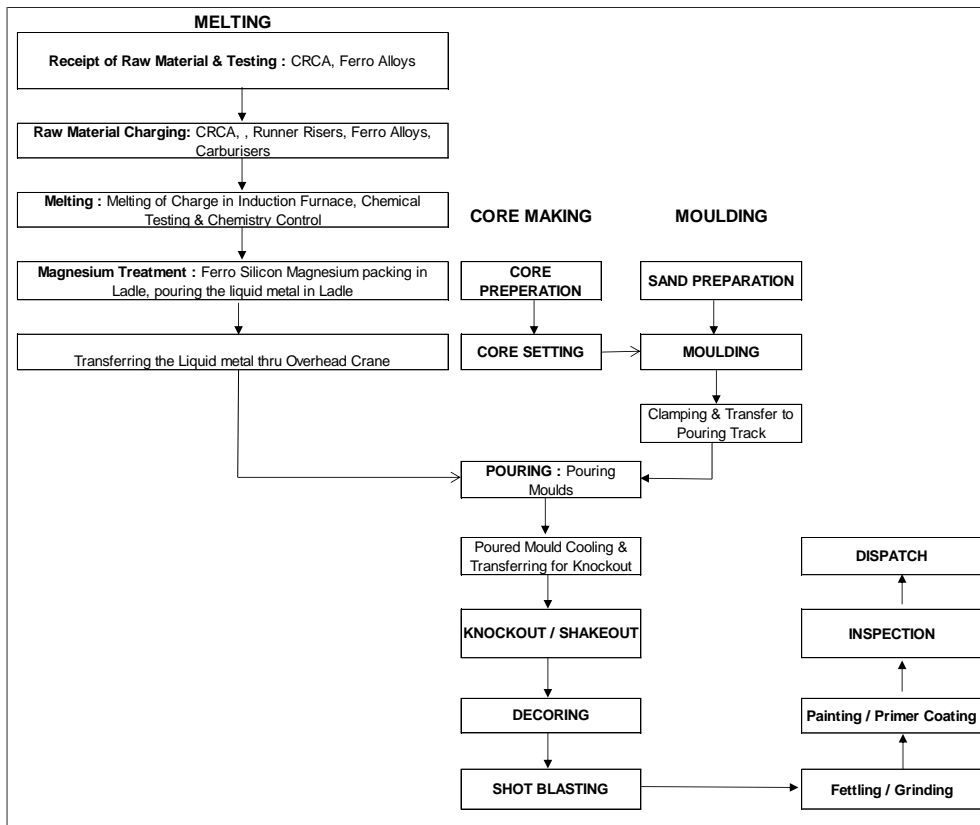
- a. Foundry
- b. Machining



### **PROCESS OF MANUFACTURE : FOUNDRY**

#### **Product:**

Our Company manufactures various Tractors & Automobile components like End Cover, Cover Sealed Brake, Differential Case, Cover Hydraulic Lift, Cover Transcase, Front Wheel hub, Fly Wheel Housing, Rear Axle Casings, Hydraulic Lift Covers, Brake Housing & Front Engine Supports etc. The manufacturing process is given here under.



### 1. Preparation of Sand:

This is most important activity of the unit, where sand is prepared by adding new sand & additives etc. as per quality parameters. The quality of the sand governs the castings finish & controls other sand defects. Fully automatic plant is being provided which comprises of Intensive mixers, Knock Out, Sand Cooler, Hoppers, Magnetic Separator, Bucket elevator & Conveyor Belt.

### 2. Preparation of Moulds:

Moulds are made on one line Simultaneous jolt & Squeeze pressure Moulding Machine. This machine is Semi-automatic where molding, Mold transfer, closing, etc, is done automatically. These Machine shall be capable of produce 60 moulds per hour.

### 3. Melting:

Two Induction Furnaces with two crucibles of 1000 kg/1500 kg each (1 working + 1 standby) with pollution control equipment is installed to obtain molten metal at 1400 to 1600 degree temperature with electricity. CI turning boring, MS Scrap & Pig Iron are used as major raw materials.

### 4. Pouring :

The molten metal from Induction Furnaces is poured into the moulds by ladle on monorails/crane.

### 5. Knock Out :

After pouring the moulds shall be carried through automatic track line & punch out machine will punch the sand & casting from the mould box automatically. The sand will go in the return circle & casting will go to shot Blasting/ Fettling.

**6. Shot Blasting:**

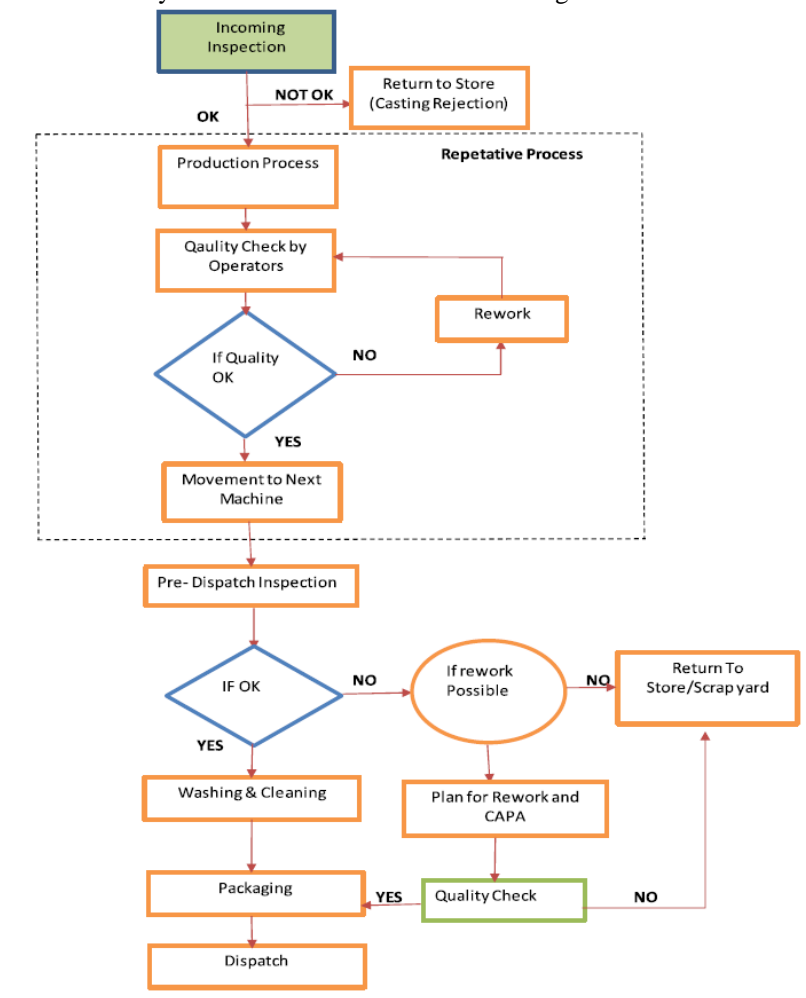
After punch-out (Knock Out) the casting shall be cleaned through shot blasting process. The two Nos. of Shot blasting Machines have been installed for the purpose. After that extra material / fins etc shall be removed by hand / bench grinders. After fettling castings shall be primer coated with casting sealer.

**7. Quality Control/Inspection Foundry:**

Incoming Inspection & raw materials like Pig iron, Sand, Betonites etc. is done. Inspection of Sand, Metal and Molds shall be done with suitable inspection facility like chemical, physical, spectrometer & sand lab. The final product is inspected as per customer / International Standards or specification and appropriate facilities shall be provided.

**PROCESS OF MANUFACTURE : MACHINING**

The finished product of the foundry becomes raw material for machining.



**1. Machining**

Good castings be transferred to the Machining section for further processing. The castings shall require several jobs such as rough turning, finish turning, drilling & milling as per drawings provided by the customer.



The castings is being processed on Conventional Machines like Lathe, CNC Turning Centre & Vertical Machining Centre as per the requirement of customer & components

**2. Quality Control/Inspection Machine Shop**


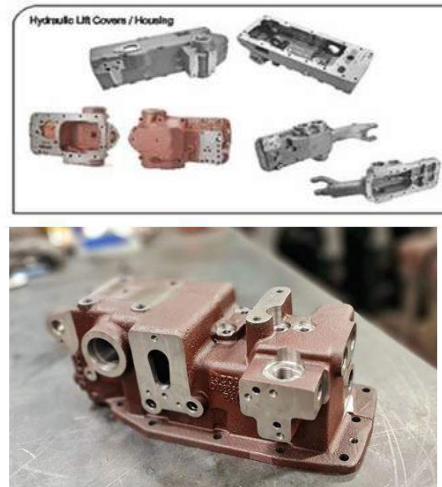
The final components is being checked with the gauges, instruments as per the requirement of customer / International Standards or specification. For this Inspection facilities like Gauges, Measuring Instruments is already available.

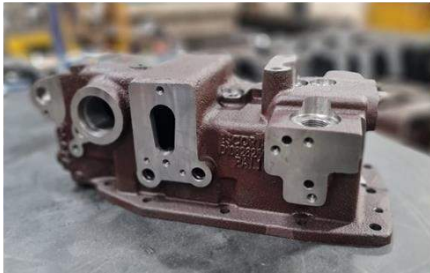
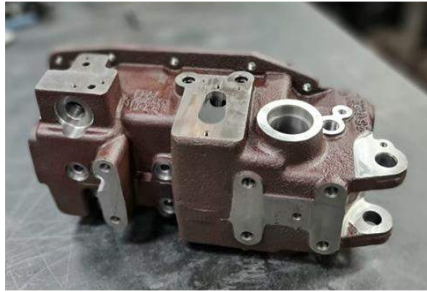
**3. Dispatch**

The component is duly packed as per customer requirement and dispatched to the customer.

**OUR PRODUCTS**

Our product portfolio is diverse to cater to various demands by our customers, which are shown below:

Products	Features	End use
 <p>Rear Axle Housings</p> <p>Rear Axle Housings</p> <p>Rear Axle Housings</p>	<p><b>Axle Housings</b></p> <ul style="list-style-type: none"> <li>• Weight Range – 30 kg to 80 kg</li> <li>• Material Used – Grey Iron &amp; S.G. Iron</li> </ul>	<p>Tractors &amp; Construction Equipments</p>
 <p>Hydraulic Lift Covers / Housing</p>	<p><b>Lift Housings</b></p> <ul style="list-style-type: none"> <li>• Weight Range – 20 kg to 65 kg</li> <li>• Material Used – Grey Cast Iron</li> </ul>	<p>Tractors</p>








**Front Axle/Engine Support**  
 • Weight Range – 30 kg to 130 kg  
 • Material Used – Grey Cast Iron & S G Iron

Tractors

**Brake Housing/End Cover/Brake Disc**  
 • Weight Range – 11 kg to 30 kg  
 • Material Used – Grey Cast Iron

Tractors & Construction Equipment

 <p>Differential Case</p>	<p><b>Differential Case</b></p> <ul style="list-style-type: none"> <li>• Weight Range – 16kg to 26 kg</li> <li>• Material Used – Grey Cast Iron Grade 30, Grade 35 &amp; S.G. Iron</li> </ul>	<p>Tractors, Construction Equipments &amp; Heavy Commercial Vehicles</p>
<b>Miscellaneous Housings</b>		
	<p><b>Bull Cage</b></p>	<ul style="list-style-type: none"> <li>• Weight Range – 20 kg to 80 kg</li> <li>• Material Used – Grey Cast Iron</li> </ul> <p>End Use: Tractors, Construction Equipments &amp; Heavy Commercial Vehicles</p>
	<p><b>Clutch Housings</b></p>	<ul style="list-style-type: none"> <li>• Weight Range – 20 kg to 80 kg</li> <li>• Material Used – Grey Cast Iron</li> </ul> <p>End Use: Tractors, Construction Equipments &amp; Heavy Commercial Vehicles</p>
	<p><b>Gear box Housings</b></p>	<ul style="list-style-type: none"> <li>• Weight Range – 20 kg to 80 kg</li> <li>• Material Used – Grey Cast Iron</li> </ul> <p>End Use: Tractors, Construction Equipments &amp; Heavy Commercial Vehicles</p>

			
		<b>Gear Casing</b>	<ul style="list-style-type: none"> <li>• Weight Range – 20 kg to 80 kg</li> <li>• Material Used – Grey Cast Iron</li> </ul> <p>End Use: Tractors, Construction Equipments &amp; Heavy Commercial Vehicles</p>

## COMPETITION

Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Industry is very competitive and we expect competition to continue and likely to increase in the future.

## Impact of Covid-19

Since the onset of the COVID-19 pandemic in March 2020, our Company's operations have been affected as our employees faced the threat of getting infected. In 2020, cases of the novel corona virus started rapidly increasing in India, which led the government of India to impose a nationwide lockdown. The spread of Covid-19 and its recent developments have had and might continue to have repercussions across local, national and global economies. To prevent the spread of Covid-19 and to comply with the restrictions, we had to temporarily suspend our operations in order to follow the Government's norms. We continuously monitored the economic conditions and have outlined sufficient measures to combat the pandemic situation at our business premises. Once the lockdown was lifted, our operations restarted in full swing. Initially we did find a little hiccup in finding workers but because of our enterprising organization, we were able to source quality workforce and we were able to train them and we restarted our operations. After lifting the lockdown and resuming our operations the demand in our industry abruptly increased from the different sectors and we attained the highest production during the partial year 2020-21 and FY 2021-22. The demand after pandemic ultimately nullified the impact of shutdown during COVID 19 pandemic.

## HUMAN RESOURCE

Our human resource policies are aimed towards creating a skilled and motivated work force. We believe in recognizing talent and potential in our employees and encouraging them to take additional responsibilities.

Recruitment is done on need basis as per set process i.e. requirement received from department head, proposed candidates shortlisted and interviewed by HR as per policy and after approval from approving authority, followed by selecting suitable candidate, joining and orientation.

Based on performance, we calibrate our employees and reward performance and loyalty by preferring in-house promotions to lateral hiring. We conduct training for various levels of employees to develop skill sets in our employees, which complements their key responsibility areas, and helping them perform with improved efficiency.

As on 31<sup>st</sup> March, 2022, we have employees in the following departments:

DEPARTMENT	Permanent employees	Temporary employees	Total
OPERATION	1	27	28
ADMIN & HR	12	20	32
STORE	5	2	7
ACCOUNTS	4	0	4
LABORATORY	3	2	5
SAND PLANT	7	6	13
QUALITY	6	1	7
ELECTRICAL	7	2	9
MAINTENANCE	12	6	18
MACHINESHOP	29	34	63
FOUNDRY	48	48	48
<b>TOTAL</b>	<b>134</b>	<b>254</b>	<b>388</b>

## UTILITIES & INFRASTRUCTURE FACILITIES

### Infrastructure Facilities

Our manufacturing unit has sufficient facilities for efficient production as well as safety for the workers.

### Pollution control

We have installed dust collectors, air pollution control device as well. In 2018, we have installed a Sewage Treatment Plant with a capacity of 10KLD. We also responsibly collect waste and dispose them off to a waste collector entity.

### Utilities

Our company has optimum utilities like air conditioning, drinking water facilities, canteen & they are well lit & ventilated.

### Power

Our Company has the necessary electric connection under Punjab State Power Corporation Ltd (PSPCL). We also have a DG set of 380 KVA as well for emergency use.

### Technology

Our Company has adequate computer systems, printers and other communication equipments, Internet connectivity, ERP systems & security and other facilities, which are required for our business operations to function smoothly.

## MARKETING

We have dedicated marketing & sales team in our parent company that looks after all the marketing and selling functions of the company. We have an internal customer correspondence team which is closely associated with our customers and take care of all day to day correspondence and requirements of existing as well as new probable customers. The sales & marketing team maintains relationship with the customers. The orders received by the sales & marketing team of the group are shared with the Plants. We inherit the long standing relationships that have been developed and nurtured by our group companies with our customers. This is a major advantage to us.

## COLLABORATIONS, STRATEGIC ALLANCES & JOINT VENTURES

As on date of Draft Prospectus, we do not have any technical, performance guarantee collaborations with any parties & no subsidiary, joint ventures or any strategic alliances.

We have 100% subsidiary company namely Meeta Castings Ltd. We have not given any corporate guarantee for it. Our parent company i.e. Pritika Auto Industries Limited has given corporate guarantee in our favour.

## CAPACITY AND CAPACITY UTILIZATION

### List of Machines for Foundry:

Sr. No.	Machine Name	Number	Make / Model
1	ARPA 900	2	DISA-2011
2	ARPA 450	2	DISA-2011
3	SAND PLANT	1	DISA-2011
4	COLD BOX CORE SHOOTER	2	DISA, GS MACHINERIES

5	SHELL CORE SHOOTER	1	GS MACHINERIES
6	INDUCTION FURNACES -1.5 TON	1	INDUCTOTHERM
7	INDUCTION FURNACES -01 TON	1	INDUCTOTHERM
8	SHOT BLASTING MACHINE	1	DISA-2011

Currently, our Company has the following capacity:

**Foundry Capacity:**

Plants	Casting Type	Moulding Lines		FURNACES		PLANT CAPACITY In MT/Month
		ARPA 900 DISA	ARPA 450 DISA	1.5 TONS	1.0 TONS	
PEC	Grey Iron & Ductile (SG) Iron	2	2	1	1	<b>1000</b>

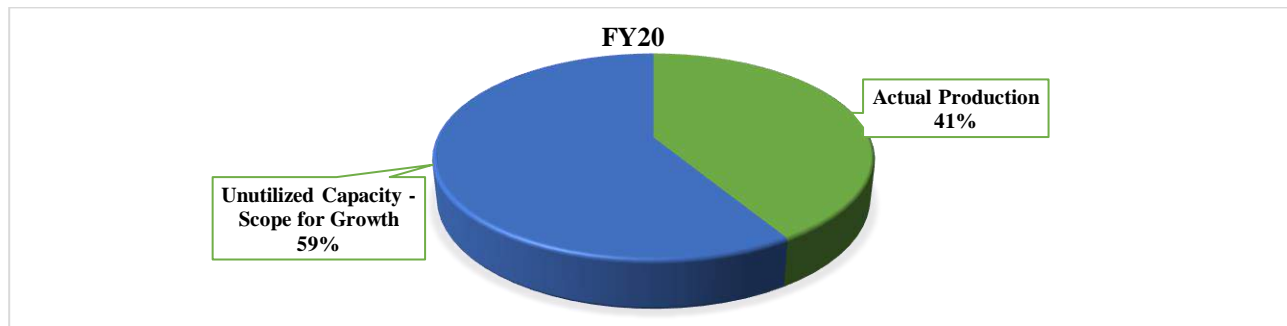
**List of Machines & their Machining Capacity:**

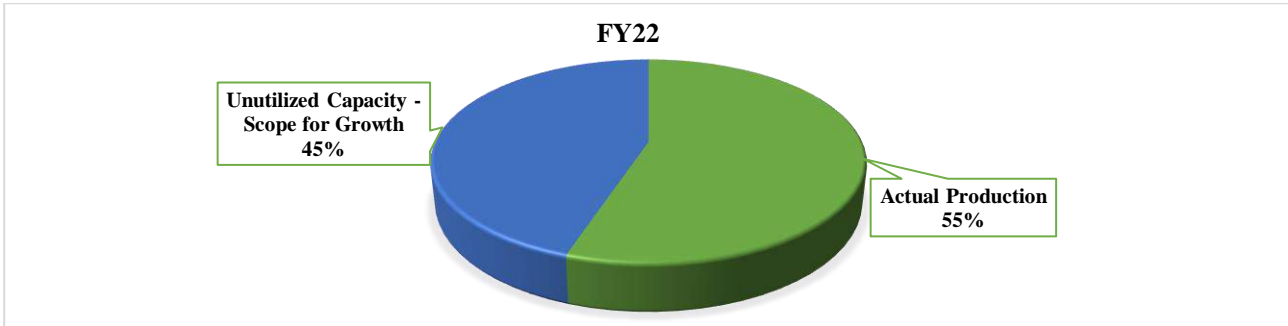
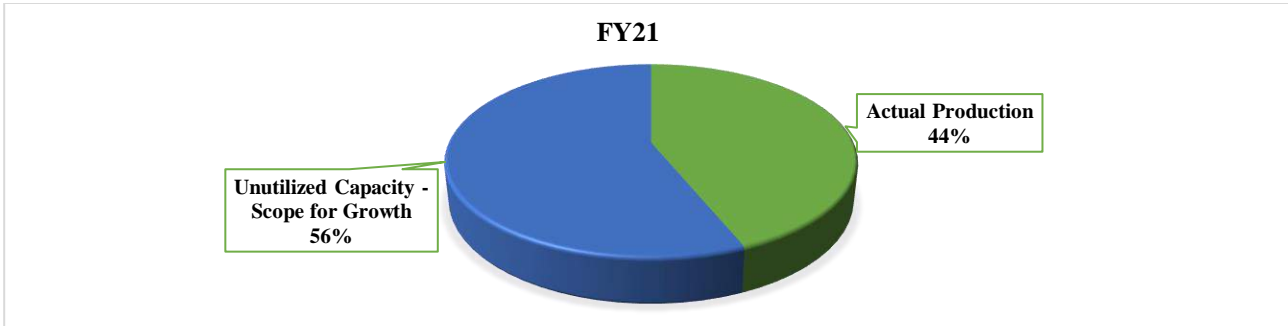
MACHINES		MAKE	QTY
Hoirizontal Machining Centre	HMC	ACE, HMT	8
Vertical Turning Centre	VTL	ACE	1
Vertical Machining Centre Double Pallet	VMC	DOOSAN, BFW, ACE	4
Horizontal Cnc Turning Centre	CNC	LOKESH	1
General Purpose Machines	GPM	RDL	3

Annual production capacities & utilization are as follows:

FY20	Actual Production (in MT)	3965
	Installed Capacity (in MT)	9600
	<b>Capacity Utilization</b>	<b>41%</b>
FY21	Actual Production (in MT)	5252
	Installed Capacity (in MT)	12000
	<b>Capacity Utilization</b>	<b>44%</b>
FY22	Actual Production (in MT)	6619
	Installed Capacity (in MT)	12000
	<b>Capacity Utilization</b>	<b>55%</b>

The below charts shows the actual production to the rest of the production capacity which is unutilized on an annual basis. This capacity is a huge opportunity for us to scale and add to the bottom line.





**END USERS**

Our products are primarily targeted to all the top OEMs of the country who are in the business of manufacturing and/or assembly of automobile, especially tractors, trucks and other commercial vehicles. Our products are majorly sold to our group companies, who in turn, sell it to the end customer.

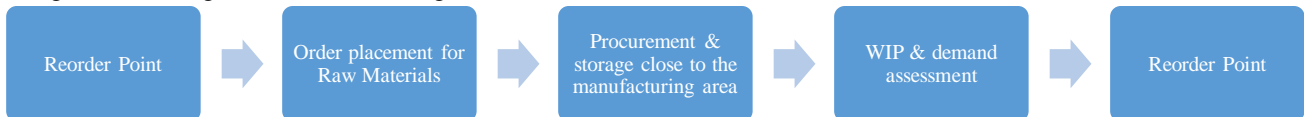
**RAW MATERIAL**

We use primary raw materials like CRC Scrap, MS Scrap, Turning Scrap, Cast Iron & Pig Iron that we procure from different suppliers in the market. Along with it we use consumables such as Ferro Silicon, Ferro Mangane, Copper & Sand.

After receiving the Raw material, we do incoming inspection, especially of quality grade etc. If material is accepted then we continue for next process like melting, core making, mold making etc. If the material is not as per our norms it is rejected and sent back to supplier. Silica sand is used for mold making.

**Inventory & Logistics**

Our Company makes continuous procurement of raw materials and also has W.I.P (Work In Progress) inventories. We have to keep the fresh inventory stocked. The fundamental behind this is to stay in line with the current and upcoming market demand trends that are expected in the industry. The W.I.P inventory stays at the working area safely as there is enough space and the workers are highly experienced professionals and they help us enforce highest safely standards along with ensuring comfortable working environment.



**Research & Development**

Our group companies have a seasoned and experienced R&D team. After discussion with the customers about the specifications and the quality of build needed, we procure the raw materials needed and supply them to the R&D team along with the desired specifications so that they can deliver the sample moulds which we can use to make a sample finished product for our customer to approve.

**EXPORT AND EXPORT OBLIGATIONS**

Our Company does not have any Export Obligation under Export Promotion Capital Goods (EPCG) Scheme or any

other scheme of Government of India.

## CORPORATE SOCIAL RESPONSIBILITY

CSR is applicable on Our Company and we have constituted a CSR committee and have adopted a CSR policy that will be implemented in due course.

## INSURANCE

Our Company maintains insurance policies against various risks inherent in our business activities, against burglary, and fire damages, and, Group health insurance policies. We also have an add-on cover for earthquake protection as well. We believe these insurances to be appropriate & sufficient to protect us from any downside risks to our business.

## Quality Management

In the precision components manufacturing industry, adherence to quality standards is a critical factor as any defects in any of the products manufactured by us, or failure to comply with the design specifications of our customers, may lead to cancellation of the purchase order placed by our customers and further loss of reputation. In order to maintain the quality standards and comply with the design specifications provided by our customers, we follow a stringent quality control mechanism. At each stage of the manufacturing process, the components are checked by our operators, to ensure there is no defect from the previous stage operator.


As a result of our quality assurance efforts over the years, our manufacturing units have received IATF 16949:2016 and MSME Sustainable ZED Bronze Certification.

The Quality Assurance & Management Representative Department analyses customer complaints and action taken by the company for these complaints. Equipments used in QA are:

Foundry	Machining
• Spectrometer	• Coordinate Measuring Machines ( CMM)
• Image Analyser	• Linear Height Master with LD
• Tensile Testing Machines	• Surface Roughness Tester
• Tensometer	• Height Master
• Online C.E. Master	• Dial height Gauges
• WTS Equipment	• Air Plug Gauges
• Sand Lab	• DQMS
• Wet Lab	
• 3D SCANNING	

## INTELLECTUAL PROPERTY RIGHTS

As at the date of this Draft Prospectus, following are the details of intellectual properties of the Company:

Sr. No.	Particulars	Status
1.	Trade Name / Logo 	Unregistered
2.	Domain Name <a href="http://www.pritikaengineering.com">www.pritikaengineering.com</a>	Registered

## LAND AND PROPERTY

As of the date of this Draft Prospectus, the properties which we own or rent and operate from include the following:

Shop Name	Rent/Own	Address
Registered office	Rent	Plot No.C-94, Phase-VII, Industrial Focal Point, S.A.S Nagar, Mohali-160055
Works	Own	Village-Simbli, Phagwara-Hoshiarpur Road, Tehsil & District Hoshiarpur, Punjab- 146001





*(Above shown interior and exterior shots of Works of Pritika Engineering Components Limited)*

## KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the key industry regulations and policies applicable to our Company. The information set below has been obtained from various legislations including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations set below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Further, the statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Set forth below are certain significant legislations and regulations which generally govern the business and operations of our Company:

### **INDUSTRY-SPECIFIC REGULATIONS AND POLICIES :**

#### ***Industries (Development & Regulations) Act, 1951***

The Industries (Development and Regulation) Act, 1951, was enacted to provide for the development and regulation of certain industries, Section 2 of the said Act declares that it is expedient in the public interest that the Union should take under its control the industries specified in the First Schedule to the Act.

Under this Act The owner of every existing industrial undertaking, not being the Central Government, shall, within such period as may be specified is require to register the undertaking in the prescribed manner.

#### ***The Punjab Fire Prevention and Fire Safety Act 2004:***

An Act to make more effective provision for the fire prevention and fire safety measures in buildings and premises in the Punjab State.

The nominated authority shall after the completion of the inspection of the building or premises is required to record its views on the deviation from or the contraventions of the building rules with regard to the fire prevention and fire safety measures and the inadequacy of such measures provided therein with reference to the height of the building or the nature of activity carried on in such building or premises and issue a notice to the owner or occupier of such building or premises directing him to undertake such measures as may be specified in the notice.

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

Factories Act, 1948 ("Factories Act") came into force on April 01, 1949 as amended by the Factories (Amendment) Act, 1987 and extends to the whole of India. The Factories Act seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. The Act, defines a 'factory' to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least twenty workers even though there is or no electrically aided manufacturing process being carried on.

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

"Legal Metrology" means that part of metrology which treats units of weighment and measurement, methods of weighment and measurement and weighing and measuring instruments, in relation to the mandatory technical and legal requirements which have the object of ensuring public guarantee from the point of view of security and accuracy of the weighments and measurements. It is an Act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

### ***The Hazardous and Other Wastes (Management, Handling and Trans boundary Movement) Rules, 2016:***

Hazardous and Other Wastes (Management, Handling and Trans boundary Movement) Rules, 2016 came into force from April 04, 2016 superseding the Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.

Hazardous waste means any waste, which by reason of characteristics, such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger to health, or environment. It comprises the waste generated during the manufacturing processes of the commercial products such as industries involved in petroleum refining, production of pharmaceuticals, petroleum, paint, aluminum, electronic products etc. Hazardous Waste Management Rules are notified to ensure safe handling, generation, processing, treatment, package, storage, transportation, use reprocessing, collection, conversion, and offering for sale, destruction and disposal of Hazardous Waste.

### **LABOUR LAWS:**

#### ***Industrial Dispute Act, 1947:***

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (IDA) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases.

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

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time (“Child Labour Act”) was enacted to prohibit the engagement of children below the age of 14 years in certain specified occupations and processes and to regulate their conditions of work in certain other employments.

#### ***Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”):***

CLRA has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the Act applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued.

To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

#### ***Trade Unions Act, 1926:***

The objective of the Trade Unions Act of 1926 was to: Ensure Security of Workers: This ensured continued employment of workers, prevent retrenchment, lay off or lock-outs. Controlled application of “fire” or dismissal or discharge and VRS. Every registered Trade Union will have common seal. Every registered Trade Union can acquire and hold both movable and immovable property. Every registered Trade Union can sue others. Every registered Trade Union can be sued by others also.

But over the course of time trade unions have developed five principal functions. These are respectively: a service function; a representation function; a regulatory function; a government function; and a public administration function.

***The Micro, Small and Medium Enterprises Development Act, 2006:***

The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) inter – alia provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto. With the help of Udyog Adhaar, registration can be done under MSME (Ministry of Micro, Small and Medium Enterprises). Udyog Adhaar is the 12 numerical registration number issued by the MSME Ministry of the Government of India.

**ENVIRONMENTAL LAWS:**

***The Environment (Protection) Act, 1986:***

The Environment (Protection) Act, 1986 was enacted as a general legislation to safeguard the environment from all sources of pollution by enabling coordination of the activities of the various regulatory agencies concerned. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed.

***The Water (Prevention and Control of pollution) Act, 1981:***

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

***The Air (Prevention and Control of Pollution) Act, 1981:***

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”) has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air (Prevention and Control of Pollution) Act, 1981 any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

***Noise Pollution (Regulation and Control) Rules, 2000 (“Noise Pollution Rules”):***

The increasing ambient noise levels in public places from various sources, inter-alia, industrial activity, construction activity, (fire crackers, sound producing instruments), generator sets, loud speakers, public address systems, music systems, vehicular horns and other mechanical devices have deleterious effects on human health and the psychological wellbeing of the people, it is considered necessary to regulate and control noise producing and generating sources with the objective of maintaining the ambient air quality standards in respect of noise.

A draft of Noise Pollution (Control and Regulation) Rules, 1999 was published under the notification of the Government of India in the Ministry of Environment and Forests. It is a set of 8 rules prescribed to regulate noise pollution.

**EMPLOYEE RELATED LAWS:**

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

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act) applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the government from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees’ provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

### ***The Employees State Insurance Act, 1948:***

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. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act.

### ***Employees' Deposit Linked Insurance Scheme, 1976***

Employees Deposit Linked Insurance Scheme or EDLI is an insurance cover provided by the EPFO (Employees Provident Fund Organization) for private sector salaried employees. The registered nominee receives a lump-sum payment in the event of the death of the person insured, during the period of the service. EDLI applies to all organizations registered under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. All such organizations must subscribe to this scheme and offer life insurance benefits to their employees. This scheme works in combination with EPF and EPS. The extent of the benefit is decided by the last drawn salary of the employee.

### ***The Equal Remuneration Act, 1976:***

Equal Remuneration Act, 1976 was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution. The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Act, the term 'remuneration' means "the basic wage or salary and any additional emoluments whatsoever payable, either in cash or in kind, to a person employed in respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, were fulfilled."

### ***Payment of Gratuity Act, 1972:***

The Payment of Gratuity Act is applicable to every factory, mine, oilfield, plantation, port, railway companies and to every shop and establishment in which 10 or more persons are employed or were employed at any time during the preceding twelve months. This Act applies to all employees irrespective of their salary.

The Payment of Gratuity Act, as amended, provides for a scheme for payment of gratuity to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years:

- (a) On his/her superannuation;
  - (b) On his/her retirement or resignation;
  - (c) On his/her death or disablement due to accident or disease
- (In this case the minimum requirement of five years does not apply)

### ***The Maternity Benefit Act, 1961:***

The purpose of Maternity Act 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides inter-alia for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc. Our Government further amended the Act which is known as 'The Maternity Benefit (Amendment) Act, 2017', effective from March 27, 2017 introducing more benefits for pregnant women in certain establishments.

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

A bonus payment is usually made to employees in addition to their base salary as part of their wages or salary. Pursuant to the Payment of Bonus Act, 1965, as amended (the "Bonus Act"), an employee in a factory or in any establishment where twenty or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus.

## **TAXATION RELATED LAWS:**

### ***The Income-tax Act, 1961:***

The Income Tax Act, 1961 (“IT Act”) deals with the taxation of individuals, corporates, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India.

### ***The Goods and Services Tax (“GST”):***

The GST is applicable on the supply of goods or services as against the present concept of tax on the manufacture and sale of goods or provision of services. It is a destination-based consumption tax. It is dual GST with the Central and State Governments simultaneously levying it on a common tax base. The GST to be levied by the Centre on intra-State supply of goods and / or services is called the Central GST (CGST) and that to be levied by the States is called the State GST (SGST). An Integrated GST (IGST) is to be levied and collected by the Centre on inter-State supply of goods and services.

There were indirect taxes that were levied and collected by the Central and State Government which are now subsumed under GST. Some of the taxes subsumed under GST are as follows:

1. Service Tax
2. Value Added tax
3. The Central Sales Tax
4. Excise duty

### ***Professional Tax:***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional 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.

## **MISCELLANEOUS:**

### ***The Companies Act, 2013:***

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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

The Indian Contract Act, 1872[1] prescribes the law relating to contracts in India and is the key act regulating Indian contract law. The Act is based on the principles of English Common Law. It is applicable to all the states of India. It determines the circumstances in which promises made by the parties to a contract shall be legally binding. Under Section 2(h), the Indian Contract Act defines a contract as an agreement which is enforceable by law.

### ***Limitation Act, 1963:***

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5th of October, 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, 'period of limitation' means the period of limitation prescribed for any suit, appeal or application by the Schedule, and 'prescribed period' means the period of limitation computed in accordance with the provisions of this Act.

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

The Competition Act, 2002 aims to anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act. The prima facie duty of the Competition Commission established under the Act is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade.

### ***The Information Technology Act, 2000:***

The Information Technology Act, 2000 was notified on October 17, 2000. It is the law that deals with cybercrime and electronic commerce in India. The Information Technology Act, 2000 provides legal recognition to the transaction done via an electronic exchange of data and other electronic means of communication or electronic commerce transactions.

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

The SHWWA is a legislative act in India that seeks to protect women from sexual harassment at their place of work. The SHWWA has been introduced in 2013 to provide a safe, secure and enabling environment, free from sexual harassment to every woman. Every employer is legally required to comply with the statutory requirements as mentioned in the Act.

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

The act was enacted with the objective of "to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of the foreign award, and also to define the law relating to the conciliation".

The Arbitration and Conciliation Act, 1996 aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

### ***The Indian Stamp Act, 1899:***

Under the Indian Stamp Act, 1899, 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.

### ***Export Oriented Unit Scheme:***

The Export Oriented Units (EOU) scheme was introduced to boost exports, increase foreign earnings and created employment in India. The EOU scheme is complementary to the scheme for Free Trade Zone, Export Processing Zone. Units that are undertaking to export their entire production of goods are allowed to set up as an EOU.

Export-oriented units are units undertaking to export their entire production of goods. EOUs can engage in manufacturing, services, development of software, repair, remaking, reconditioning, re-engineering including making of gold/silver/platinum jewellery and articles. Further, units involved in agriculture, agro-processing, aquaculture, animal husbandry, biotechnology, floriculture, horticulture, pisciculture, viticulture, poultry, sericulture and granites can also obtain the status of EOU.

### ***Sale of goods act, 1930:***

The contract of the sale of goods is governed by The Sale of Goods Act, 1930. A contract for the sale of goods has certain unusual features such as transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for the sale of goods, etc. The Act deals with the subject-matter of movable property. This Act does not deal with the sale of immovable property. The transaction relating to immovable properties, e.g., the sale, lease, gifts, etc., are governed by a separate Act known as the Transfer of Property Act, 1882. All essential elements of a valid contract must be present in the contract of the sale.

In addition to the above, our Company is also required to comply with other applicable provisions and statutes imposed by the Central or the State for its day-to-day operations.

### ***Personal Data Protection Bill, 2019 (PDB Bill 2019):***

The "PDP Bill 2019" which defines both Personal and Non-personal Data, is a substantive framework which introduces a specialized regulatory approach for the Protection and Privacy of Data in any form (digital or non-digital) in India. The proposed legal framework would be applicable to processing, storage and transfer of any form of personal data across sectors of the economy, academia, industry and the society. The Bill has also limited provisions relating to Non Personal Data (NPD).

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

The Transfer of Property Act, 1882 (hereinafter referred to as the 'T P Act, 1882') was intended to define and amend the existing laws and not to introduce any new principle. It applies only to voluntary transfers. The Act provides a clear, systematic and uniform law for the transfer of immovable property. Transfer of property means an act by which a person conveys the property to one or more persons, or himself and one or more other persons. The act of transfer may be done in the present or for the future. The person may include an individual, company or association or body of individuals, and any kind of property may be transferred, including the transfer of immovable property.

### ***The Registration Act, 1908:***

It is Act to consolidate the enactments relating to the Registration of Documents. The Registration Act, 1908 was implemented to provide discipline and public notice concerning transactions in relation to immovable property. The Act provides for mandatory registration of certain documents to protect them from any type of fraud.

### **INTELLECTUAL PROPERTY RELATED LAWS:**

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

The Indian Law on trademarks is enshrined in the Trade Marks Act, 1999 (the "TM Act"). Under the existing Legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. The TM Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. 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 ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

***Patents Act, 1970:***

The Patents Act, 1970 is the legislation that till date governs patents in India. It first came into force in 1972. The Office of the Controller General of Patents, Designs and Trade Marks or CGPDTM is the body responsible for the Indian Patent Act.

The Patents Act, 1970 was again amended by the Patents (Amendment) Act, 2005(1), wherein product patent was allowed against all fields of technology including food, drugs, chemicals and microorganisms. The new law allows compulsory grant of patent except in prohibited cases as done earlier.

**FOREIGN LAWS:**

***The Foreign Trade (Development and Regulation) Act, 1992 (“FTA”):***

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

***FEMA Regulations:***

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as ‘Pritika Engineering Components Private Limited’ on February 20, 2018 as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Chandigarh. Pursuant to a special resolution of our Shareholders passed in the extra-ordinary general meeting held on April 16, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to ‘Pritika Engineering Components Limited’, and a fresh certificate of incorporation dated April 21, 2022 was issued to our Company by the Registrar of Companies, Punjab & Chandigarh at Chandigarh. The corporate identification number of our Company is U28999PB2018PLC047462.

### Change in registered office of our Company

The registered office of our Company is located at Plot No.C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali, Punjab- 160055, India since incorporation .There has been no change in the registered office thereafter.

### Main Objects of our Company

The main objects of our Company are as follows:

To carry on the business as manufacturers, buyers, sellers, assemblers, distributors, dealers, processors, founders, forgers, converters, fabricators, importers, exporters, agents, buyers and sellers of all types of metals, alloys, castings automobile parts, tractor and other vehicles parts, accessories, spares, tools and allied products of automobile industry and to establish foundries, castings, forgings and machining shops.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of this Issue.

### Amendments to the Memorandum of Association

The following amendments have been made to the Memorandum of Association of our Company in the last ten (10) years:

<b>Date of shareholder’s resolution</b>	<b>Nature of amendments</b>
<i>July 27, 2020</i>	<i>New Clause (35) added after clause (34) under clause 3(b)matters which are necessary for furtherance of the objects specified in clause 3(a) of the Memorandum of Association of Company.</i>
<i>September 11, 2020</i>	<i>Clause V of the MoA was amended to reflect the increase in authorised share capital of the Company from ₹ 5,00,00,000/- divided into 50,00,000 Equity Shares of ₹ 10 each to ₹ 8,00,00,000/- divided into 80,00,000 Equity Shares of ₹ 10 each.</i>
<i>April 16, 2022</i>	<i>Clause I of the MoA was amended to reflect the conversion of our Company from a private limited company into a public limited company and the consequent change in name of our Company from “Pritika Engineering Components Private Limited” to “Pritika Engineering Components Limited”.</i>
<i>July 20, 2022</i>	<i>Clause V of the MoA was amended to reflect the increase in authorised share capital of the Company from ₹ 8,00,00,000/- divided into 80,00,000 Equity Shares of ₹ 10 each to ₹ 15,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 10 each.</i>

## Corporate profile of our Company

For details regarding the description of our Company's activities, services, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, launch of key products or services, entry in new geographies or exit from existing markets, major suppliers, distributors and customers, segment, capacity/facility creation, capacity built-up, location of manufacturing facilities, marketing and competition, please refer to the chapters titled "Our Business", "Our Management" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 87, 114 and 140 respectively, of this Draft Prospectus.

### Major Events and Milestones

The table below sets forth some of the key events, milestones in our history since its incorporation.

Year	Events
2018	Our Company was incorporated as a private limited company under the name Pritika Engineering Components Private Limited.
2021	Our Company has increased Installed capacity from 9600 MT to 12000 MT
2022	Our Company was converted from a private limited company to a public limited company and its name was changed to Pritika Engineering Components Limited.
2022	Our Company has subscribed in the shares of Meeta Castings Limited (MCL), MCL being the wholly owned subsidiary of our company.

### Key awards, accreditations or recognition

As of date of this Draft Prospectus, we are IATF 16949:2016 certified company. We are also ZED Certified company.

### Time and Cost Overrun

Our Company has not experienced any significant time and cost overrun in setting up projects.

### Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

As of date of this Draft Prospectus, there are no defaults or rescheduling of borrowings from financial institutions or banks or conversion of loans into equity in relation to our Company.

### Details regarding material acquisition or disinvestments of business / undertakings, mergers, amalgamation

Our Company has not made any business acquisition, merger and amalgamation or disinvestment of business since incorporation

### Revaluation of assets

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves since incorporation.

### Holding Company

As on the date of this Draft Prospectus, our Company have one holding company i.e. Pritika Auto Industries Limited. For details regarding description of Holding company, please refer to the chapter titled "Our Promoter and Promoter Group" and "Our Group Companies" on pages 128 and 133 respectively of this draft prospectus.

### Subsidiaries of our Company

As on the date of this Draft Prospectus, our Company have one wholly owned subsidiary company i.e. Meeta Castings Limited. For details regarding description of Subsidiary company, please refer to the chapter titled "Our Subsidiary" on page 135 of this draft prospectus.

### **Associate, Subsidiaries or Joint ventures of our Company**

As on the date of this Draft Prospectus, our Company does not have any joint ventures or associate companies. However, it has subscribed to the shares of Meeta Castings Limited, being our company's Wholly Owned Subsidiary. Please refer chapter titled "*Our Subsidiary*" on page number 135 for detailed information.

### **Strategic and Financial Partners**

As on date of this Draft Prospectus our Company does not have any strategic and financial partners.

### **Shareholders and Other Agreements**

There are no shareholders and other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us.

### **Agreements with key managerial personnel or a Director or Promoters or any other employee of the Company**

There are no agreements entered into except in the ordinary course of business by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

### **Guarantees given by Promoters offering its shares in the Offer for Sale**

This is a fresh issue of Equity Shares and our Promoters are not offering their shares in this Issue.

### **Material Agreements**

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

## OUR MANAGEMENT

### Our Board of Directors

As on date of this Draft Prospectus, we have Six (6) Directors consisting of one (1) Managing Director, Two (2) Non-Executive Directors, Three(3) Independent Directors one of whom is a woman director.

Set forth below, are details regarding our Board as on the date of this Draft Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Period of Directorship, Term and Nationality	Age (years)	Other Directorships
<p><b>Harpreet Singh Nibber</b>  <b>DIN:</b>00239042  <b>Date of Birth:</b> October 13, 1971  <b>Designation:</b> Managing Director  <b>Address:</b>H.No.1021, Phase 4, Mohali, SAS Nagar, Punjab – 160059  <b>Occupation:</b> Business  <b>Term:</b> For a period of three (03)years with effect from July 20, 2022  <b>Period of Directorship-</b> First Director Since incorporation i.e 20<sup>th</sup> February, 2018  <b>Nationality:</b> Indian</p>	50	<ul style="list-style-type: none"> <li>• Pritika Auto Industries Limited</li> <li>• Pritika Industries Limited</li> <li>• Pritika Holdings Private Limited</li> <li>• Meeta Castings Limited</li> </ul>
<p><b>Raminder Singh Nibber</b>  <b>DIN:</b>00239117  <b>Date of Birth:</b> August 04, 1941  <b>Designation:</b> Chairman &amp; Non – Executive Director  <b>Address:</b>H.No.1021, Phase 4, Mohali, SAS Nagar, Punjab - 160059  <b>Occupation:</b> Business  <b>Term:</b> Liable to retire by rotation  <b>Period of Directorship:</b> First Director Since incorporation i.e 20<sup>th</sup> February, 2018  <b>Nationality:</b> Indian</p>	81	<ul style="list-style-type: none"> <li>• Meeta Castings Limited</li> <li>• Pritika Holdings Private Limited</li> <li>• Pritika Industries Limited</li> <li>• Pritika Auto Industries Limited</li> </ul>
<p><b>Mr. Ajay Kumar</b>  <b>DIN:</b>02929113  <b>Date of Birth:</b> July 29, 1974  <b>Designation:</b> Non-Executive Director  <b>Address:</b>252, Sector 80, SAS Nagar Punjab -140308  <b>Occupation:</b> Service  <b>Term:</b> Liable to retire by rotation  <b>Period of Directorship:</b> 5<sup>th</sup> October, 2021</p>	48	<ul style="list-style-type: none"> <li>• Pritika Auto Industries Limited</li> <li>• Pritika Industries Limited</li> </ul>

Name, DIN, Date of Birth, Designation, Address, Occupation, Period of Directorship, Term and Nationality	Age (years)	Other Directorships
<b>Nationality:</b> Indian		
<b>Mr. Subramaniyam Bala</b> <b>DIN:</b> 00461697 <b>Date of Birth:</b> April 02, 1951 <b>Designation:</b> Independent Director <b>Address:</b> H. No. 430, Sector 9, Panchkula, Haryana, 134113 <b>Occupation:</b> Professional <b>Term:</b> For a period of three (03)years with effect from July 20, 2022 <b>Period of Directorship:</b> 20 <sup>th</sup> July, 2022 <b>Nationality:</b> Indian	71	<ul style="list-style-type: none"> <li>• Pritika Auto Industries Limited</li> <li>• Pritika Industries Limited</li> </ul>
<b>Mrs. Neha</b> <b>DIN:</b> 08109734 <b>Date of Birth:</b> March 08, 1982 <b>Designation:</b> Independent Director <b>Address:</b> H. No. 04, Nehra Farm House, Kansal Enclave Road, Village Khuda Alisher, Chandigarh, 160011 <b>Occupation:</b> Professional <b>Term:</b> For a period of three (03) years with effect from July 20, 2022 <b>Period of Directorship:</b> 20 <sup>th</sup> July, 2022 <b>Nationality:</b> Indian	40	<ul style="list-style-type: none"> <li>• Pritika Auto Industries Limited</li> <li>• Pritika Industries Limited</li> </ul>
<b>Mr. Bishwanath Choudhary</b> <b>DIN:</b> 02313294 <b>Date of Birth:</b> August 15, 1955 <b>Designation:</b> Independent Director <b>Address:</b> Flat 8 F, Block 7, Prasad Exotica, 71/3, Canal Circular Road, Kolkata - 700054 <b>Occupation:</b> Professional <b>Term:</b> For a period of three (03)years with effect from July 20, 2022 <b>Period of Directorship:</b> 20 <sup>th</sup> July, 2022 <b>Nationality:</b> Indian	67	<ul style="list-style-type: none"> <li>• Century Extrusions Limited</li> </ul>

#### **Brief Biographies of our Directors**

**Mr. Harpreet Singh Nibber** aged 50 years, is a graduate in Mechanical Engineering having more than 26 years of experience in the industry. He is the Managing Director of our company. He has completed his B. Tech in 1994 and joined a leading Tractor Manufacturer of India in their manufacturing Engineering Department for two years and gained experience in field of Manufacturing & CNC Machining. In 1996, he joined the family business commencing work with Marketing Department of Pritika Group.

He is a trained professional for Production Management & Business Planning Programs at AOTS, OSAKA, Japan and has participated in Management programs for Entrepreneurs by Nadathur S. Raghavan Center for Entrepreneurial Learning (NSRCEL), Bangalore in January 2009.

**Mr. Raminder Singh Nibber**, aged 81 years, is a Mechanical Engineer. He graduated from University of Roorke with a Gold Medal in Metallurgy. He has more than 54 years of rich experience in the industry. He has been awarded Udyog Patra for Self-Made entrepreneur by the Institute of Trade and Industrial Development, Delhi in July, 2003 and Star of the Asia Award by Economic Growth Society of India in the year 2015. He has also been awarded with excellence in Quality Award by Department of Industries & Commerce, Govt. of Punjab.

He is an active member of various Industrial & Trade Associations. He had been Chairman of Confederation of Indian Industries (CII), Mohali Zone during the years 2016-2019. He is a member of Rotary Club, Chandigarh (Central) and Mohali Industries Association. Moreover, he is also involved in Philanthropic Activities.

**Mr. Ajay Kumar**, aged about 48 years, possesses the degree of Mechanical Engineering and MBA in Finance. He is a graduate in Mechanical Engineering from Thapar Institute of Engineering & Technology, Patiala and completed his MBA from Punjab University, Chandigarh. He is an approved Internal Auditor for ISO.

He has vast experience in functional areas of production, marketing and growth strategies. He is one of inseparable Board member of Pritika Auto Industries Limited and Pritika Industries Limited. He has wide experience in the industry and is associated with the group for the last 20 years.

**Mr. Subramaniyam Bala**, aged about 71 years, has varied experience of about 51 years in the Castings and foundry industry. He started his career as an Inspector for Castings & Pattern and with his hard work and capability, promoted to the position of Head of Foundry Development and Director Technical. He had been associated with the Group for twenty years and retired in the year 2015.. During his tenure he has designed, erected, commissioned and operated up to production level more than seven foundries. He had developed more than 1,000 castings. He is not related or concerned with the directors or promoters of the company and meets the criteria of Independent Director. He is also Independent Director on the Board of Pritika Auto Industries Limited and Pritika Industries Limited.

**Mrs. Neha** holds Masters Degree in Law (LL.M) and an advocate doing practice in the High Court of Punjab & Haryana at Chandigarh. She has experience of 14 years in advocacy. She is not related or concerned with the company or its directors or its promoters in any way and meet the criteria of Independent Director. She is also Independent Director on the Board of Pritika Auto Industries Limited and Pritika Industries Limited.

**Mr. Bishwanath Choudhary**, aged about 67 years, is a Fellow member of Institute of Company Secretaries of India, Institute of Cost Accountants of India and MBA in finance. He is registered as Insolvency Professional and Registered Valuer with Insolvency & Bankruptcy Board of India. He has about 44 years of experience in Finance and Corporate matters in Steel and Infrastructure Industry. He is not related or concerned with the company or its directors or its promoters in any way and meet the criteria of Independent Director. He is also Independent Director on the Board of Century Extrusions Limited.

### **Confirmations**

1. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Draft Prospectus with the SEBI, during the term of his/ her directorship in such company.
2. Mr. Raminder Singh Nibber and Mr. Harpreet Singh Nibber were directors of M/s Pritika Autocast Limited which was listed on BSE SME-Institutional Trading Platform (SME ITP). Further M/s Pritika Autocast Limited has voluntary delisted from BSE SME institutional Trading Platform on 21<sup>st</sup> February, 2017 and after that it has amalgamated with M/s Pritika Auto Industries Limited (the holding company) vide NCLT Order dated 06<sup>th</sup> February, 2019.

Except above none of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

### **Relationship between our Directors**

None of the directors are related to each other in terms of the definition of 'relative' under Section 2(77) of the Companies

Act, except as set out below:

Name	Relationship
Mr. Harpreet Singh Nibber	Son of Mr. Raminder Singh Nibber
Mr. Raminder Singh Nibber	Father of Mr. Harpreet Singh Nibber

### Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel or Directors have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others pursuant to which of the directors was selected as a director or member of senior management.

### Payment or Benefit to officers of our Company

Except as stated under “Remuneration details of our executive directors” and “Remuneration details of our non-executive directors and independent directors” and except as disclosed below, no amount or benefit has been paid or given in the last two (2) years preceding the date of this Draft Prospectus to any officer of our Company including our Directors and key management personnel:

### Service Contracts

**None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. However, Executive Directors of our Company are appointed for specific terms and conditions for which no formal agreements are executed, however their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company.**

**Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of employment.**

For further details, please refer to the “Restated Statement of Related Party Transaction” under chapter titled “Financial Statements” beginning on page 137 of this Draft Prospectus.

### Borrowing Powers of our Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to an Extra-ordinary General Meeting held on November 25, 2021 resolved that in accordance with the provisions of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed at any time the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed Rs. 100 crores.

### Terms of appointment and remuneration of our Managing Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on June 29, 2022 and approved by the Shareholders of our Company at the EGM held on July 20, 2022, Mr. Harpreet Singh Nibber was appointed as the Managing Director of our Company for a period of three (03) years with effect from July 20, 2022 along with the terms of remuneration, which provides that the aggregate of his salary, allowances and perquisites in any one financial year shall be in accordance with Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with the rules prescribed thereunder.

Basic Salary	Rs. 2,00,000/- per month.
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<b>Minimum Remuneration</b>	<i>In the event of loss or inadequacy of profits in any financial year, Mr. Harpreet Singh Nibber shall be entitled to receive a total remuneration including perquisites, etc., as mentioned above and not exceeding the ceiling limits under Section II of Schedule V of the Companies Act, 2013 subject to the minimum remuneration as prescribed including any statutory modification or re-enactment thereof from time to time as prescribed by the Company.</i>
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### Remuneration details of our Directors

#### (i) Remuneration of our Directors

The aggregate value of the remuneration paid to the Non-Executive Directors in Fiscal 2022 is as follows:

S. No.	Name of the Director	Remuneration (Rs. in lacs)
1.	Mr. Harpreet Singh Nibber	12.00

Our Executive Directors were not paid sitting fee in Fiscal 2022 for attending meetings of the Board of Directors and its committees.

#### ii) Sitting fee details of our Independent Directors

Our Board of Directors in their meeting held on July 27, 2022 have fixed Rs. 20,000 per Board Meeting and Rs. 10,000 per Committee Meeting as sitting fee for Non-Executive Independent Directors for attending meetings of the Board of Directors and its committees.

### Payment or benefit to Directors of our Company

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

### Remuneration paid to our Directors by our Subsidiary

As on date of this Draft Prospectus, our Company has a wholly owned subsidiary i.e. Meeta Castings Limited, which was incorporated on 16<sup>th</sup> March, 2022 at registered office situated at Plot No C-94, Phase VII Industrial Focal Point, S.A.S. Nagar Mohali-160055 with Registrar of Companies, Chandigarh (CIN: U27100PB2022PLC055438). No Remuneration has been paid to our directors by our Subsidiary.

### Loans to Directors

There are no loans that have been availed by the Directors from our Company that are outstanding as of the date of this Draft Prospectus.

### Shareholding of Directors in our Company

Except as stated below, none of our other Directors holds any Equity Shares of our Company as on the date of filing of this Draft Prospectus:

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1.	Mr. Harpreet Singh Nibber	1	Negligible
2.	Mr. Raminder Singh Nibber	2	Negligible
3.	Mr. Ajay Kumar	1	Negligible

### Shareholding of Directors in our Subsidiaries

As on date of this Draft Prospectus, our Company has one wholly owned subsidiary i.e. Meeta Castings Limited. The shareholding of our directors in Meeta Castings Limited is as follows:-

Sr. No.	Name of Director	Number of Equity Shares held	% of the pre-Issue Equity Share Capital
1.	Mr. Harpreet Singh Nibber	1	Negligible

Sr. No.	Name of Director	Number of Equity Shares held	% of the pre-Issue Equity Share Capital
2.	Mr. Raminder Singh Nibber	1	Negligible
3.	Mr. Ajay Kumar	1	Negligible

#### Board of Directors of Our Subsidiary

Sr. No.	Name of Director	DIN	Begin Date
1.	Mr. Harpreet Singh Nibber	00239042	16/03/2022
2.	Mr. Raminder Singh Nibber	00239117	16/03/2022
3.	Mr. Narinder Kumar Tyagi	00483827	16/03/2022

#### Interest of our Directors

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our Directors see “*Terms of appointment and remuneration of our Executive Directors*” above.

Pritika Auto Industries Limited is the Promoter of our Company and may be deemed to be interested in the promotion of our Company to the extent that it had promoted our Company and nominating directors to the board of our company. Except as stated above, our Directors have no interest in the promotion of our Company other than in the ordinary course of business. Our Directors may also be regarded as interested to the extent of Equity Shares held by them in our Company, if any, details of which have been disclosed above under the heading “*Shareholding of Directors in our Company*”. 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.

Our Directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoter, directors, partners, proprietors or trustees or kartas or coparceners or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoter, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in “*Financial Information*” and “*Our Promoters and Promoter Group*” on pages 137 and 128, respectively of this Draft Prospectus, our Directors are not interested in any other company, entity or firm.

Except as stated in “*Restated Financial Information - Annexure – IV: Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements*” on page 137 of this Draft Prospectus, our Directors do not have any other interest in the business of our Company.

#### Interest as to property

Except as disclosed in this Draft Prospectus, our Directors do not have any interest in any property acquired or proposed to be acquired by our Company or of our Company.

#### Bonus or Profit Sharing Plan for our Directors

There is no bonus or profit-sharing plan for the Key Management Personnel of our Company.

#### Changes in our Board during the Last Three Years

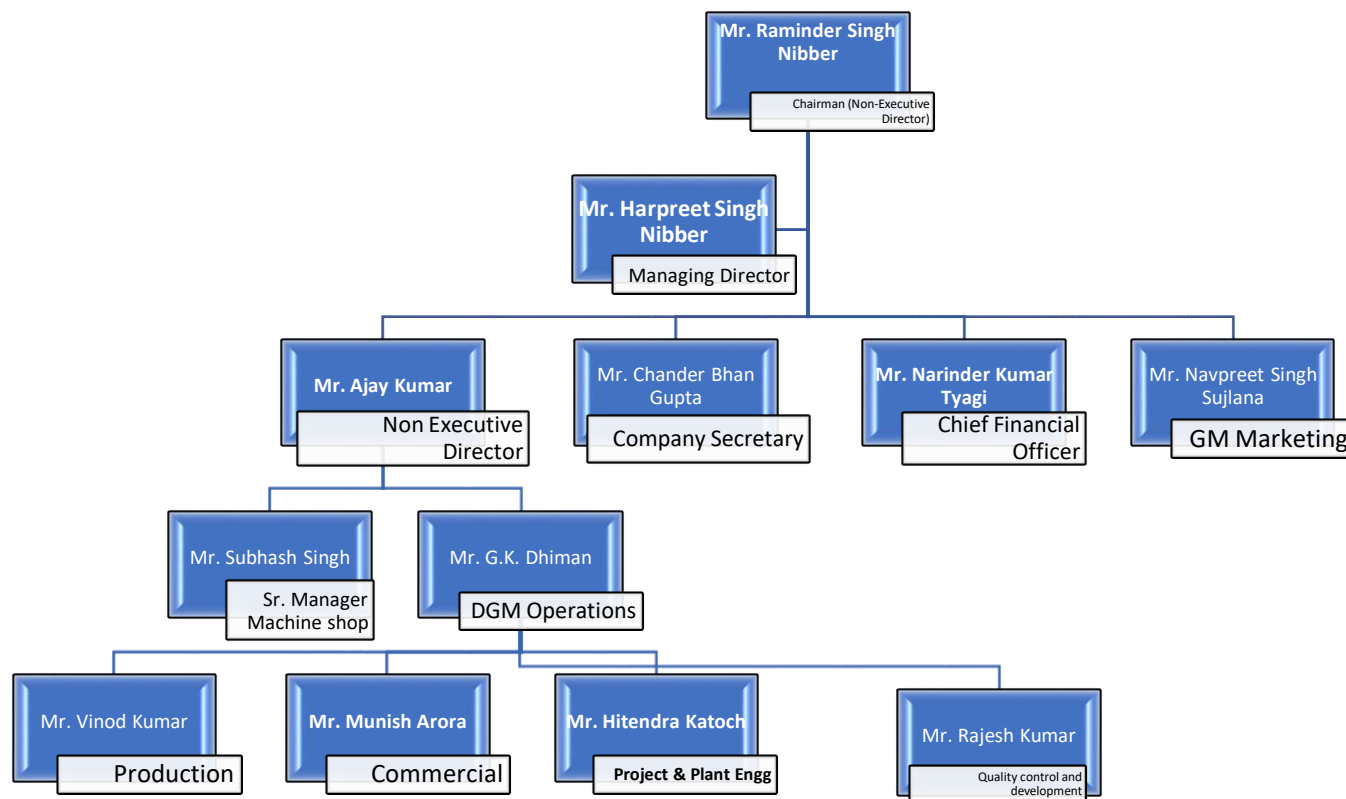
Except as disclosed below, there have been no changes in our Board during the last three years.

Sr.	Name of Director	Date of Change in Designation/Date of Appointment	Reason for change/ Appointment
1.	Mr. Harpreet Singh Nibber	July 20, 2022	Change in designation to Managing Director
2.	Mr. Ajay Kumar	July 20, 2022	Regularisation as Non-Executive Director
3.	Mr. SubramaniamBala	July 20, 2022	Appointed as Independent Director
4.	Mrs. Neha	July 20, 2022	Appointed as Independent Director

5.	Mr. Bishwanath Choudhary	July 20, 2022	Appointed as Independent Director
6.	Mr. Ajay Kumar	October 05, 2021	Appointed as Additional Director

### Management Organization Structure

Set forth is the management organization structure of our Company



### Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI (ICDR) Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

### Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- Audit Committee;
- Stakeholders' Relationship Committee; and
- Nomination and Remuneration Committee.
- Corporate Social Responsibility Committee

Details of each of these committees are as follows:

**a) Audit Committee**

Our Audit Committee was constituted on 27<sup>th</sup> July, 2022 with the following members forming a part of the said Committee:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Designation</b>
1.	Mr. Subramaniyam Bala	Chairperson
2.	Mr. Bishwanath Choudhary	Member
3.	Mr. Raminder Singh Nibber	Member

The Audit Committee is in compliance with Section 177 of the Companies Act 2013 and Regulation 18 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

**A. Powers of Audit Committee**

The Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary

**B. Role of the Audit Committee**

The role of the audit committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly/half yearly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Monitoring the end use of funds raised through public offers and related matters;
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. Approval of any subsequent modification of transactions of the company with related parties;  
**Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2 (zc) of the SEBI Listing Regulations and/or the Accounting Standards.
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the 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;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and
22. Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees one hundred crores or 100% of the asset size of the subsidiary, whichever is lower including existing loans / advances/ investments, as may be applicable.
23. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.]

Further, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- statement of deviations:
  - a. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations.
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) the SEBI Listing Regulations.

As required under the SEBI Listing Regulations, the Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings and the quorum for each meeting of the Audit Committee shall be two members or one third of the members, whichever is greater, provided that there should be a minimum of two independent directors present.

**b) Stakeholders' Relationship Committee**

Our Stakeholder' Relationship Committee was constituted on 27<sup>th</sup> July 2022 with the following members:

Sr. No.	Name of Member	Designation
1.	Mrs. Neha	Chairperson
2.	Mr. Ajay Kumar	Member
3.	Mr. Subramaniam Bala	Member

The Stakeholders' Relationship Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 20 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Stakeholders' Relationship Committee.

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and the terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
2. Review of measures taken for effective exercise of voting rights of by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
5. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time.

As required under the SEBI Listing Regulations, the Stakeholders Relationship Committee shall meet at least once a year, and the Chairperson of the committee shall be present at the annual general meetings to answer queries of the security holders. The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

**c) Nomination and Remuneration Committee**

Our Nomination and Remuneration Committee was constituted on 27<sup>th</sup> July 2022 with the following members:

Sr. No.	Name of Member	Designation
1.	Mr. Bishwanath Choudhary	Chairperson
2.	Mrs. Neha	Member
3.	Mr. Ajay Kumar	Member

The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI Listing Regulations. The Company Secretary shall act as the secretary of the Nomination and Remuneration Committee.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Nomination and Remuneration Committee are as follows:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. recommend to the board, all remuneration, in whatever form, payable to senior management;
8. 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, 1992 or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
  - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
9. evaluating the performance of the independent directors and on the basis of their performance evaluation recommending the Board of Directors and the members of the Company to extend or continue the term of appointment of the independent director; and
10. performing 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 the Nomination and Remuneration Committee.

As required under the SEBI Listing Regulations, the Nomination and Remuneration Committee shall meet at least once a year, and the chairperson of the committee shall be present at the annual general meetings to answer queries of the shareholders. The quorum for each meeting of the said committee shall be either two members or one-third of the members of the committee whichever is greater, including at least one independent director in presence.

**d) Corporate Social Responsibility Committee:**

Our Corporate Social Responsibility Committee was constituted on 27<sup>th</sup> July 2022 with the following members:

Sr. No.	Name of Member	Designation
1.	Mr. Raminder Singh Nibber	Chairman
2.	Mr. Ajay Kumar	Member
3.	Mrs. Neha	Member

Our Company has adopted Corporate Social Responsibility Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programmes for the welfare and sustainable development of the society.

The CSR Policy has been uploaded on the website of the company at [www.pritikaengineering.com](http://www.pritikaengineering.com)

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 and SEBI Listing Regulations and the terms of reference, powers and role of our Corporate Social Responsibility Committee are as follows:

1. To formulate and recommend to the Board, a Corporate Social Responsibility (“CSR”) Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and rules made there under and review thereof
2. To formulate and recommend to the Board, an annual action plan in pursuance to CSR Policy.
3. To recommend to the Board the amount of expenditure to be incurred on the CSR activities
4. To monitor the implementation of framework of CSR Policy
5. To review the performance of the Company in the areas of CSR
6. To institute a transparent monitoring mechanism for implementation of CSR projects/ activities undertaken by the company
7. To recommend extension of duration of existing project and classify it as on-going project or other than on-going project.
8. To submit annual report of CSR activities to the Board
9. To consider and recommend appointment of agency / consultant for carrying out impact assessment for CSR projects, if applicable, to the Board
10. To review and monitor all CSR projects and impact assessment report if applicable
11. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

#### Our Key Managerial Personnel

Set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Prospectus:

Name, Designation and Date of Joining		Qualification
Name	Mr. Narinder Kumar Tyagi	Chartered Accountant
Designation	Chief Financial Officer	
Date of Appointment	20 <sup>th</sup> July, 2022	
Overall Experience	Chief Financial Officer of our Company is a qualified Chartered Accountant with 31 years of experience in the listed and unlisted companies. He has varied experience in the field of Accounts, Finance, Taxation and commercial matters. Mr. Tyagi is also CFO in Pritika Auto Industries Limited., the holding company	
Name	Mr. Chander Bhan Gupta	Company Secretary
Designation	Company Secretary & Compliance Officer	
Date of Appointment	20 <sup>th</sup> July, 2022	
Overall Experience	He has 35 years of experience as Company Secretary in listed and unlisted companies. He has varied experience in dealing with the corporate compliance affairs and legal matters. He has been associated with the group for the last ten years. He is also Company Secretary and compliance officer of Pritika Auto Industries Limited	
Name	Harpreet Singh Nibber	B. Tech



Designation	Managing Director	
Date of Appointment	20 <sup>th</sup> July, 2022	
Overall Experience	Mr. Harpreet Singh Nibber, is a graduate in Mechanical Engineering having more than 26 years of experience in the industry. He has completed his B. Tech in 1994 and joined a leading Tractor Manufacturer of India in their manufacturing Engineering Department for two years and gained experience in field of Manufacturing & CNC Machining. In 1996, He is a trained professional for Production Management & Business Planning Programs at AOTS, OSAKA, Japan and has participated in Management programs for Entrepreneurs by Nadathur S. Raghavan Center for Entrepreneurial Learning (NSRCEL), Bangalore in January 2009.	

All our Key Managerial Personnel are permanent employees of our Company.

### Senior Management

**Mr. G K Dhiman**, Deputy General Manager aged about 61 years, has experience of 42 years as Senior Manager Production in Mahindra & Mahindra Limited. He is associated with our company for last two years and he worked as Deputy General Manager of operation department of the company.

**Mr. Subhash Saini**, Senior manager machine shop joined the group on 1st February, 2007 as Assistant Manager Machine shop. He was later promoted as Manager Production Machine shop. He had a rich experience of 10 years in Swaraj Engine Division as CNC operator, Mehta Engineers Ludhiana as CNC programmer, Indian Twin Mat Ludhiana and Sai Tech (Dubai) as Production Manager. He holds Diploma in Mechanical Engineering from CJM University Meghalaya. He is working as Sr. Manager Machine Shop.

### Relationship of Key Managerial Personnel with our Directors, Promoters and / or other Key Managerial Personnel

Except as disclosed under the heading “*Relationship between our Directors*” and herein above, none of the key managerial personnel are related to each other or to our Promoters or to any of our Directors.

### Shareholding of the Key Managerial Personnel

Mr. Narinder Kumar Tyagi, Chief Financial Officer holds one share of the company. Except him none of the Key Managerial Personnel holds any shares of the company.

### Bonus or Profit Sharing Plan for our Key Managerial Personnel

None of our Key Managerial Personnel is a party to any bonus or profit sharing plan.

### Payment or benefit to Key Managerial Personnel of our Company

Except as disclosed in this Draft Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Key Managerial Personnel except the normal remuneration for services rendered by them. Additionally, there is no contingent or deferred compensation payable to any of our Key Managerial Personnel.

Notes:

- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel have been recruited.

- None of our Key Managerial Personnel has entered into any service contracts with our company. No benefits are granted upon their termination from employment other than statutory benefits provided by our company and Further, our Company has appointed certain Key Managerial Personnel i.e. Chief Financial Officer and Company Secretary and Compliance officer by passing necessary board resolution and has not executed any formal service contracts; although they are abiding by their terms of appointments.

### Interest of Key Managerial Personnel

Except as disclosed in this Draft Prospectus, none of our Key Managerial Personnel’s have any interest in our Company other than to the extent of the remuneration, equity shares held by them or benefits to which they are entitled to our

Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been appointed.

#### **Changes in Key Managerial Personnel in the Last Three Years**

Set forth below, are the changes in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Draft Prospectus:

<b>Name</b>	<b>Designation</b>	<b>Date of Appointment</b>	<b>Appointment/Change in Designation</b>
Mr. Harpreet Singh Nibber	Managing Director	July 20, 2022	Change in Designation
Mr. Narinder Kumar Tyagi	Chief Financial Officer	July 20, 2022	Appointment
Mr. Chander Bhan Gupta	Company Secretary	July 20, 2022	Appointment

The attrition of the key management personnel is as per the industry standards.

#### **Employees' Stock Option Plan**

As on date of this Draft Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

#### **Loans taken by Directors / Key Management Personnel**

Our Company has not granted any loans to the Directors and/or Key Management Personnel as on the date of this Draft Prospectus.

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTERS

The promoter of our company is M/s. Pritika Auto Industries Limited. As on the date of this Draft Prospectus, our Promoter holds, in aggregate of 76,34,508 Equity Shares, constituting 99.99% of our pre – Issue, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoter’ shareholding in our Company, please refer the chapter titled “Capital Structure” on page 51 of this Draft Prospectus.

### DETAILS OF OUR PROMOTER

#### PRITIKA AUTO INDUSTRIES LIMITED

Pritika Auto Industries Limited, having CIN L45208PB1980PLC046738 is the sole promoter of our Company. The Company was originally incorporated as a public limited Company on April 11, 1980 under the name and style of Hariganga Machineries and Engineering Services Limited with Registrar of Companies, Maharashtra. Subsequently, the name of the Company was changed to Shivkrupa Machineries and Engineering Services Limited on August 05, 2015. On March 16, 2017, the name of the Company was changed from Shivkrupa Machineries and Engineering Services Limited to Pritika Auto Industries Limited.

The company was previously listed on Calcutta Stock Exchange and the same was directly listed on the Bombay stock exchange dated October 01, 2015. The company intended to get directly listed on the National Stock Exchange through Direct Listing, and received its listing approval dated August 10, 2021.

Application for delisting of the shares of the company was filed with Calcutta Stock Exchange dated February 21, 2017, order of which is awaited.

**Permanent account number:** AAACH4698C

**Registered Office:** Plot No. C-94, Phase-VII, Industrial Focal Point, S.A.S. Nagar Mohali, Punjab – 160055

**Listed on:** BSE Limited and National Stock Exchange of India Limited.

**Date of Listing on BSE Limited:** October 01, 2015

**Date of Listing on National Stock Exchange of India Limited:** August 10, 2021

### MAIN OBJECT/(s) OF THE COMPANY

1. To carry on business of Manufacturers, Designers, Planners, Engineers, Consultants, Contractors, Fabricators, Assemblers, Processor, Patentees, Dealers, and Traders, Importers and Exporters of Industrial and Non Industrial Plants Machineries, equipments, tools stores and spares and to promote develop and provide design plans, layout and technical knowledge, processes, turnkey consultancy, engineering and allied services within and outside India.

1A. To carry on the business as manufacturers, buyers, sellers, assembling or distributing processors, founders, forgers, converters, fabricators, assemblers, importers, exporters, agents, buyers, and sellers of all types of metal, alloys, castings, automobile parts, machine tools, tractor parts, all types of machinery, plant equipment, component, spares, tools, engineering goods and accessories including zigs and fixtures, bolts and nuts, screws of any size and design for motor vehicles, or components parts thereof, chassis motors, buses lorries, omnibuses, engines, locomotives; scooters tracks, tractors and other vehicle and component or motor vehicle parts, Tools, implements, spare parts, materials, accessories, materials and allied products of automobile industry for use as original equipment or otherwise and processing assembling, jobbing, fabricating, manufacturing and marketing and dealers of automobile accessories and spares, automotive parts connect herewith.

### NATURAL PERSONS IN CONTROL OF PROMOTERS OF THE COMPANY

**Mr. Harpreet Singh Nibber** aged 50 years, is a graduate in Mechanical Engineering having more than 26 years of experience in the industry. He is the Managing Director of our company. He has completed his B. Tech in 1994 and joined a leading Tractor Manufacturer of India in their manufacturing Engineering Department for two years and gained experience in field of Manufacturing & CNC Machining. In 1996, he joined the family business commencing work with Marketing Department of Pritika Group.

He is a trained professional for Production Management & Business Planning Programs at AOTS, OSAKA, Japan and has participated in Management programs for Entrepreneurs by Nadathur S. Raghavan Center for Entrepreneurial Learning (NSRCEL), Bangalore in January 2009.

**Mr. Raminder Singh Nibber**, aged 81 years, is a Mechanical Engineer. He graduated from University of Roorke with a Gold Medal in Metallurgy. He has more than 54 years of rich experience in the industry. He has been awarded Udyog Patra for Self-Made entrepreneur by the Institute of Trade and Industrial Development, Delhi in July, 2003 and Star of the Asia Award by Economic Growth Society of India in the year 2015. He has also been awarded with excellence in Quality Award by Department of Industries & Commerce, Govt. of Punjab.

He is an active member of various Industrial & Trade Associations. He had been Chairman of Confederation of Indian Industries (CII), Mohali Zone during the years 2016-2019. He is a member of Rotary Club, Chandigarh (Central) and Mohali Industries Association. Moreover, he is also involved in Philanthropic Activities

#### **OTHER UNDERTAKINGS AND CONFIRMATIONS**

We confirm that the details of Permanent Account Number, Bank Account Number, Company Registration Numbers and Address of the Registrar of Companies where the companies are registered of our Promoter will be submitted to the Stock Exchange at the time of filing of the Draft Prospectus with the Stock Exchange.

Our Promoter and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulters by the RBI or as fugitive economic offenders under Section 12 of Fugitive Economic Offenders Act, 2018 or any other governmental authority.

No violations of securities laws have been committed by our Promoter or members of our Promoter Group or any Group Companies in the past or are currently pending against them.

None of (i) Our Promoter and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of our Promoters are or were associated as a 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.

Our Promoter or Promoter Group entities have not been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.

#### **BOARD OF DIRECTORS OF PROMOTER COMPANY**

<b>Sr. no.</b>	<b>Name of the Director</b>	<b>Designation</b>
1.	Harpreet Singh Nibber	Managing Director
2.	Raminder Singh Nibber	Whole time director
3.	Subramaniyam Bala	Independent Director
4.	Ajay Kumar	Whole time director
5.	Yudhisthir Lal Madan	Independent Director
6.	Neha	Independent Director
7.	Narinder Kumar Tyagi	Chief Financial Officer
8.	Chander Bhan Gupta	Company Secretary & Compliance Officer

#### **CHANGE IN CONTROL OF OUR COMPANY**

Our Promoter is the original promoter of our Company and the control of our Company has not been acquired during five years immediately preceding this Draft Prospectus.

## **INTEREST OF OUR PROMOTER**

### ***Interest in promotion of our Company***

Our Promoter is interested in our Company to the extent it has promoted our Company, nominating directors (Executive/Non Executive) on the Board and to the extent of its shareholding in our Company and the dividends payable, if any, and any other distributions in respect of its shareholding in our Company. For details of the shareholding of our Promoter in our Company, please refer to the chapter titled “*Capital Structure*”, and “*Restated Financial Information - Related Party Transactions*” beginning on page 51, and 137, respectively of this Draft Prospectus.

### ***Interest of Promoter in our Company other than as a Promoter***

Our Promoter, M/s Pritika Auto Industries Limited is the holding company of our Company. Except as stated in this section and the section titled “*Our Management*” and “*Restated Financial Information - Related Party Transactions*” on pages 114 and 137, respectively, our Promoter do not have any interest in our Company other than as a Promoter.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

### ***Interest in the properties of our Company***

Except as disclosed in the section titled “*Financial Information*” and the chapter titled “*Restated Financial Information - Related Party Transaction*” on pages 137 and 137, our Promoter is not interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Prospectus with SEBI or proposed to be acquired by our Company, or in any transaction by our Company for the acquisition of land, construction of building or supply of machinery.

## **OTHER INTEREST AND DISCLOSURES**

Except as stated in this section and the chapters titled “*Restated Financial Information - Related Party Transactions*” on pages 137, our Promoter does not have any interest in our Company other than as a Promoter.

Our Promoter is not interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

## **INTEREST OF PROMOTERS IN THE PROPERTY OF OUR COMPANY**

Our Promoter have confirmed that it 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. For more details, please refer “*Related Party Transactions*” in chapter titled “*Financial Information*” beginning on Page No. 137 of this Draft Prospectus.

Further, other than as mentioned in the chapter titled “*Our Business*” beginning on Page No. 87 of this Draft Prospectus, our Promoter does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Except as stated in this chapter and the benefits mentioned in the related party transactions as per AS-18 there has been no payment of any amount of benefits to our Promoter or the members of our Promoter Group during the last two years from the date of this Draft Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter group as on the date of this Draft Prospectus. For further details, please refer to the chapter titled “*Restated Financial Information - Related Party Transactions*” on page 137 of this Draft Prospectus.

## **LITIGATIONS INVOLVING OUR PROMOTER**

For details of legal and regulatory proceedings involving our Promoter, please refer the chapter titled “*Outstanding Litigation and Material Development*” in page 156.

## **GUARANTEES**

Except prescribed below, Our Promoter has not given any guarantees to third parties in respect of Secured loans taken by our company and the Equity Shares that are outstanding as of the date of filing of this Draft Prospectus. For detailed description please refer “*Financial Indebtedness*” chapter on page no. 150.

Sr. no.	Name of the Bank to whom Guarantee Given	Amount (In Lakhs.)
1.	Canara Bank	1984.00
2.	SIDBI	375.00
3.	HDFC Bank	1954.00

#### DETAILS OF COMPANIES / FIRMS FROM WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST THREE YEARS

Our Promoter has not disassociated itself from any company/firm during the three years preceding this Draft Prospectus.

#### A. OUR PROMOTER GROUP

In addition to our Promoter and the subsidiary, the following individuals and entities form part of our Promoter Group in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations:

#### Individuals forming part of the Promoter Group:

There are no Individuals forming part of Promoter group.

#### 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.

Sr. No.	Name of the entity
1.	PRITIKA INDUSTRIES LIMITED

#### Board of Directors of the Company

Sr no.	Name	Designation
1.	Harpreet Singh Nibber	Director
2.	Raminder Singh Nibber	Managing Director
3.	Subramaniam Bala	Independent Director
4.	Ajay Kumar	Director
5.	Neha	Independent Director

#### Corporate Information and nature of Business

Pritika Industries Limited having CIN U85100PB1997PLC038216 was originally incorporated as a Private Limited Company named Pritika Industries Private Limited on July 01,1997 at registered office situated at Flat No. 222, CA Apartment, A-3, Paschim Vihar, New Delhi-110063. Subsequently, vide resolution passed dated May 07<sup>th</sup>, 2012 the name of the company changed from Pritika Industries Private Limited to Pritika Industries Limited and new certificate of incorporation dated June 12<sup>th</sup>, 2012 by Registrar of Companies National Capital Territory of Delhi and Haryana.

The Registered office of the company was changed from Flat No. 222, CA Apartment, A-3, Paschim Vihar, New Delhi-110063 to Plot No. C-94, Phase-VII, Industrial Focal Point, S.A.S. Nagar Mohali-160055 from 26<sup>th</sup> November, 2013.

The Company is engaged in the business of manufacturing, buying, selling, exchange, altering, improving, Assembling or distributing and dealing in tractor parts, machine, tools, and machine tools accessories including jig, fixtures, bolts and nuts, screws of any size and design for motor vehicles of components parts thereof, chassis, Motors ,buses, lorries, omnibuses, engines, locomotives, scooters, tracks, tractors and other vehicle and component or motor vehicle parts, tools, implements, spare parts, accessories, materials and allied products of automobile industry for use as original equipment or otherwise.

**Details of Shareholders:**

Sr no.	Name	No. of Shares	Percentage (%)
1	Mr. Raminder Singh Nibber	21,21,214	21.61
2	Mr. Harpreet Singh Nibber	75,01,136	76.42
3	Ms. Pavit Nibber	1,395	0.01
4	Mr. Ramesh Chander Saini	1,475	0.01
5	Mr. Ajay Kumar	1,375	0.01
6	Mr. Gurkaran Singh Nibber	1,88,875	1.92
7.	Mr. Gaganpreet Singh	300	Negligible
8.	Mr. Navpreet Singh Sujlana	100	Negligible
9.	Mr. Ashish Kumar	10	Negligible
10	Mrs. Jasleen Narang	10	Negligible
11	Mr. Avtar Singh	10	Negligible
	Total	98,15,900	100.00

**Companies with which the Promoter has disassociated in the last three years**

Our Promoters have not been 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 Promoter except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 25 and 156 of this Draft Prospectus.

**OUR GROUP COMPANIES**

The definition of ‘Group Companies’ as per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the Board of Directors of the Company. In our case Group Company is:-

Sr. No.	Name of the entity
1.	Pritika Holdings Private Limited

## GROUP COMPANY

In terms of the SEBI ICDR Regulations and the applicable accounting standards (Accounting Standard 18 and Indian Accounting Standard 24), for the purpose of identification of “group companies” in relation to the disclosure in Offer Documents, our Company has considered the companies with which there have been related party transactions in the last three years, as disclosed in the section titled “*Financial Information*” on page 137 of this Draft Prospectus.

Pursuant to a resolution of our Board dated July 27<sup>th</sup>, 2022, for the purpose of disclosure in the Offer Documents for the Issue, a company shall be considered material and disclosed as a ‘Group Company’ if (i) Our Company has entered into one or more related party transactions with such company in the previous three fiscal years or (ii) any other company/entity which the Board may decide to consider material. Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, following companies have been identified and considered as the Group Company of our Company.

1. Pritika Holdings Pvt. Ltd.

### Details of Our Group Companies

#### 1. Pritika Holdings Pvt. Ltd.

##### *Corporate Information and nature of Business*

Pritika Holdings Pvt Limited having CIN U65999PB2019PTC050108 was incorporated on October 16<sup>th</sup>, 2019 and certificate of incorporation issued by Registrar of Companies, Central Registration Center. The Registered office of the company situated at Plot No.C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali, Punjab- 160055.

The main object of the Company is to carry on the business, whether in India or outside, of making investments in group companies in the form of shares, bonds, warrants, debentures, debt, loans or securities and providing guarantees, other forms of collateral, or taking on the other contingent liabilities, on behalf of or for the benefit of, any group companies and to carry on other financial activities as may be permitted and prescribed by the relevant statutory authorities for Core Investment Companies from time to time.

#### Board of Directors of the Company

Name of Director	Designation
Harpreet Singh Nibber	Director
Raminder Singh Nibber	Director

#### List of Shareholders

Sr no.	Name of Shareholders	No. of Shares held	Percentage (%)
1.	Mr. Raminder Singh Nibber	2,000	20
2.	Mr. Harpreet Singh Nibber	6,000	60
3.	Mrs. Rishi Mangat	1,000	10
4.	Mr. Gurkaran Singh Nibber	500	5
5.	Ms. Pavit Nibber	500	5
	<b>Total</b>	<b>10,000</b>	<b>100</b>

#### Financial Summary of the company is as under:

Particulars (31 <sup>st</sup> March, 2022)	Amount (In Rs.)
Reserves	(77,464)
Sales	Nil
Profit After Tax	(23,620)
Earning Per Share	-2.36
Diluted Earning Per Share	-2.36



Net Asset Value	2.25
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### **Nature and extent of interest of our Group Company**

Our Directors and Shareholders Mr. Harpreet Singh Nibber and Raminder Singh Nibber are directors and shareholders in our Promoter Company i.e M/s Pritika Auto Industries Limited.

### **Outstanding Litigation**

There is no outstanding litigation against our group company except as disclosed in the section titled “*Risk Factors*” and chapter titled “*Outstanding Litigation and Material Developments*” beginning on page nos. 25 and 156 of this Draft Prospectus.

### **Defunct / Strike-off Company**

Our Group Company has not remained defunct and no application has been made to the RoC for striking off in during the five years preceding the date of this Draft Prospectus.

### **Common pursuits:**

There are no common pursuits among any of our Group Company

### **Undertaking / confirmations**

None of our Promoters or Promoter Group or Group company or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company or have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, nor our Group company /Promoter Group entities have been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters, Promoter Group or the Group Company has become sick Companies under the SICA and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoters or the Group Company.

### **Other confirmations**

None of our Group Companies have securities listed on any stock exchanges in India or abroad. Our Group Companies have not made any public / rights / composite issue of securities (as defined under the SEBI ICDR Regulations) in the last three years preceding the date of this Draft Prospectus.

## OUR SUBSIDIARY

As on the date of this Draft Prospectus, our company has one Wholly Owned Subsidiary Company i.e. Meeta Castings Limited (herein after referred to as “MCL”). Meeta Castings Limited bearing CIN U27100PB2022PLC055438 was incorporated on March 16<sup>th</sup>, 2022 with Registrar of Companies, Central Registration Center at the registered office situated at Plot No.C-94, Phase VII, Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab- 160055.

### Changes in Registered Office:

Registered office of the company is situated at Plot No.C-94, Phase VII, Industrial Focal Point, S.A.S. Nagar, Mohali, Punjab- 160055 and there has been no changes in Registered office since date of its incorporation.

### Main Object of the MCL:

To carry on the business as manufacturers, buyers, sellers, assemblers, distributors, dealers, processors, founders, forgers, converters, fabricators, importers, exporters, agents, buyers and sellers of all types of industrial/ steel castings, forgings of steel and iron, metals, alloys, automobile/ tractor parts, accessories, spares, tools and allied products of automobile industry, construction equipments, material handling equipments, casting for infrastructure and to establish foundries, castings, forgings and machining shops.

### Board of Directors of the Company

Sr. no.	DIN	Name of the Director	Designation
1.	00239042	Harpreet Singh Nibber	Director
2.	00239117	Raminder Singh Nibber	Director
3.	00483827	Narinder Kumar Tyagi	Director

### Capital Structure

Particulars	No. of Equity Shares	Total Amount Subscribed
Authorised Capital	1,50,00,000	15,00,00,000
Subscribed Capital	13,20,000	1,32,00,000

### Shareholding Pattern

Sr. No.	Name	Nos. of shares	% of holding
1.	Pritika Engineering Components Limited	13,19,994	100
2.	Mr. Raminder Singh Nibber	1*	-
3.	Mr. Harpreet Singh Nibber	1*	-
4.	Mr. Ajay Kumar	1*	-
5.	Mr. Narinder Kumar Tyagi	1*	-
6.	Mrs. Rishi Mangat	1*	-
7.	Mr. Navpreet Singh Sujlana	1*	-
	<b>Total</b>	<b>13,20,000</b>	<b>100.00%</b>

\*Note 1. : The beneficial owners of the shares subscribed is Pritika Engineering Components Limited.

### Amount of accumulated profits or losses of the subsidiary(ies) not accounted for by the issuer:

The financial results for Meeta Castings Limited have not yet been prepared as it was incorporated on 16th March, 2022 only.

## **DIVIDEND POLICY**

The declaration and payment of dividends, if any, will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. As on the date of this Draft Prospectus, our Company does not have a formal dividend policy.

Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

Our Company has not declared any dividends during the last three Financial Years. Further, our Company has not declared any dividend in the current Fiscal. There is no guarantee that any dividends will be declared or paid in future. For details in relation to the risk involved, see “*Risk Factor*” on page 25 of this Draft Prospectus.

**SECTION VI – FINANCIAL INFORMATION**

**RESTATED FINANCIAL STATEMENTS**

Sr no.	Details	Page no.
1.	Restated Financial Information	F1-F28

## **INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION**

### **The Board of Directors**

#### **Pritika Engineering Components Limited**

[Formerly known as Pritika Engineering Components Private Limited]

P lot No. C-94, Phase-VII,

Industrial Focal Point,

S.A.S Nagar, Mohali

Punjab- 160055

Respected Sirs,

1. We have examined, the attached Restated Financial Information of Pritika Engineering Components Limited (the **"Company"** or the **"Issuer"**) comprising the Restated Summary of Assets and Liabilities as at March 31, 2022, 2021 and 2020 the Restated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the year ended March 31, 2022, 2021 and 2020 and the summary statement of significant accounting policies, and other explanatory information (collectively, the **"Restated Financial Information"**), as approved by the Board of Directors of the Company at their meeting held 18<sup>th</sup> July 2022 for the purpose of inclusion in the Draft Red Herring Prospectus (**"DRHP"**) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (**"IPO"**) prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (**"the Act"**);
- b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time in pursuance of provision of Securities and Exchange Board of India Act, 1992 (**"ICDR Regulations"**); and
- c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by The Institute Of Chartered Accountants Of India (**"ICAI"**), as amended from time to time (the **"Guidance Note"**).

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus to be filed with Securities and Exchange Board of India (**"SEBI"**) and the stock exchanges where the equity shares of the Company are proposed to be listed (**"Stock Exchanges"**) [i.e. National Stock Exchange (NSE) and Bombay Stock Stock Exchange (BSE)], in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2 of Annexure V to the Restated Financial Information. The Restated Financial Information have been extracted by the management from the Audited Financial Statements of the Company for the Year ended March 31, 2022, 2021 and 2020. The Board of Directors of the company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors of the company are

also responsible for identifying and ensuring that the company complies with the Act, the ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:

- a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 2<sup>nd</sup> July, 2022 in connection with the proposed IPO of equity shares of the Company;
- b) The Guidance Note - The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
- c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed IPO of equity shares of the Company.

4. These Restated Financial Information have been compiled by the management from:

- a) The Restated Financial Information also contains the proforma Ind AS financial information as at and for the year ended March 31, 2022, 2021 and 2020. The proforma Ind AS financial information have been prepared by making Restated Ind AS adjustment to the audited Ind AS financial statements as at and for the year ended March 31, 2022, 2021 and 2020 which have been approved by the Board of Directors at their meeting held on 18<sup>th</sup> July 2022 as described in Note No. 1 of Annexure V to the Restated Financial Information.

5. For the purpose of our examination, we have relied on:

- a) Auditors' reports issued by us dated 06<sup>th</sup> May 2022 for the Financial Year 2021-22 on the financial statements of the Company as at referred in Paragraph 4 above; and
- b) Auditors' Report issued by M/s Chetal Vikesh & Associates, dated June 15<sup>th</sup> 2021 and June 26<sup>th</sup>, 2020 on the audited Ind AS financial statements as at and for the years ended March 31, 2021 and March 31, 2020 as referred in Paragraph 4 above. The audit for the financial year ended March 31, 2021 and March 31, 2020 were conducted by the company's previous auditors and accordingly reliance has been placed by us on the audited financial statements audited by them for the said year.

6. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information:

- a) have been prepared after incorporating adjustments for the change in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial years ended March 31, 2022, 2021 and 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications

- b) have been prepared after incorporating Ind AS adjustments to the audited Ind AS financial statements as at and for the years ended 31 March 2022, 2021 and 2020 as described in Note V to the Restated Financial Information;
- c) does not contain any qualifications requiring adjustments. However, those qualifications in the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, which do not require any corrective adjustments in the Restated Financial Information; and
- d) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

7. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Ind AS financial statements mentioned in paragraph 4 above.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us and other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9. We, Sunil Kumar Gupta & Co, Chartered Accountants have been subjected to the peer review process of The Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus to be filed with SEBI, NSE, BSE and Registrar of Companies in connection with the proposed IPO. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For Sunil Kumar Gupta & Co**  
**Chartered Accountants**  
Firm Registration No 003645N

Sd/-

S.K.Gupta  
Partner  
Membership No 082486

**Date :- 18/07/2022**

**Place :- New Delhi**

**Pritika Engineering Components Limited**  
**(Formerly Known as Pritika Engineering Components Private Limited )**  
**CIN NO. U28999PB2018PTC047462**  
**C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055**  
**Annexure :-I : Restated Statement of Assets and Liabilities**

(All amounts in Lakhs)

Particulars	Note No.	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
<b>I. ASSETS</b>				
<b>1. Non Current Assets</b>				
(a) Property, Plant and Equipment	3	4,099.73	3,292.90	1,650.04
(b) Capital work in progress	3	142.52	221.61	999.43
(c) Financial Assets				
- Investments	4	0.06	265.33	168.75
- Other financial assets	5	15.00	15.00	-
(d) Deferred Tax Assets	6	1.90	1.90	1.90
(e) Other Non-Current Assets	7	5.31	6.20	7.08
<b>Total Non Current Assets (A)</b>		<b>4,264.52</b>	<b>3,802.94</b>	<b>2,827.20</b>
<b>2. Current Assets</b>				
(a) Inventories	8	1,021.32	967.20	555.75
(b) Financial Assets				
- Trade Receivables	9	1,399.16	487.78	505.74
-Cash and Cash Equivalents	10	23.24	8.16	2.85
-Bank balances other than cash and cash equivalents	11	75.41	84.67	43.86
-Other Current Financial Assets	12	273.74	133.40	90.40
(c) Other Current Assets	13	49.97	104.76	108.24
(d) Current Tax Assets ( Net)	13(f)	-	5.38	0.34
<b>Total Current Assets (B)</b>		<b>2,842.84</b>	<b>1,791.35</b>	<b>1,307.18</b>
<b>TOTAL ASSETS ( A+ B)</b>		<b>7,107.36</b>	<b>5,594.29</b>	<b>4,134.38</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1. Equity</b>				
(a) Equity Share Capital	14	763.45	763.45	499.99
(b) Other Equity	15	889.17	498.68	38.81
<b>Total Equity (A)</b>		<b>1,652.62</b>	<b>1,262.13</b>	<b>538.80</b>
<b>2. Non Current Liabilities</b>				
(a) Financial Liabilities				
- Borrowings	16	1,692.79	1,668.52	1,657.18
(b) Provisions	17	-	-	-
(c) Deferred Tax Liabilities	18	25.79	23.52	3.46
(d) Other non-current Liabilities	19	1,731.61	1,234.97	1,014.47
<b>Total Non Current Liabilities ( B)</b>		<b>3,450.19</b>	<b>2,927.01</b>	<b>2,675.11</b>
<b>3. Current Liabilities</b>				
(a) Financial Liabilities				
- Borrowings	20	814.88	528.19	365.81
-Trade Payables	21	-	-	-
Total outstanding dues of micro and small enterprises		708.75	368.75	203.10
- Other Financial Liabilities	22	412.29	498.34	345.19
( b) Other Current Liabilities	23	37.40	9.87	6.37
( c ) Current tax liability	24	31.23	-	-
<b>Total Current Liabilities ( C)</b>		<b>2,004.55</b>	<b>1,405.15</b>	<b>920.47</b>
<b>TOTAL EQUITY AND LIABILITIES (A+B+C)</b>		<b>7,107.36</b>	<b>5,594.29</b>	<b>4,134.38</b>

Summary of Notes and Significant accounting policies  
The accompanying notes form an integral part of these financial statements

As per our report of even date

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Regn No. 003645N

Sd/-  
CA Sunil Kumar Gupta  
Partner  
Membership No.: 082486

Place: Mohali  
Date: 18-07-2022  
ICAI UDIN NO. : 22082486ANQEHO5844

For and on behalf of Board of Directors

Sd/-  
Harpreet Singh Nibber  
( Director )  
DIN No. 00239042

Sd/-  
Ajay Kumar  
( Director )  
DIN No. 02929113

Place: Mohali  
Date: 18-07-2022



**Pritika Engineering Components Limited**  
**CIN NO. U28999PB2018PTC047462**  
**C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055**  
**Annexure :-II : Statement of Restated Profit and Loss**

Particulars	Note	(All Amount in Lakhs )		
		For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	25	5,360.75	3,207.16	2,167.84
II Other Income	26	378.83	37.20	4.56
<b>III Total Income ( I+II)</b>		<b>5,739.58</b>	<b>3,244.36</b>	<b>2,172.40</b>
<b>IV Expenses</b>				
a) Cost of material consumed	27	3,472.90	2,045.03	1,279.89
b) Changes in inventories of finished goods , Work in progress and stock in trade	27(a)	(174.18)	(239.04)	(39.74)
c) Employee benefits expense	28	297.92	169.56	172.65
d) Finance costs	29	219.34	190.53	169.59
e) Depreciation and amortization expense	30	206.36	104.12	78.17
f) Other Expenses	31	1,130.08	915.93	496.91
<b>Total Expenses (IV)</b>		<b>5,152.42</b>	<b>3,186.13</b>	<b>2,157.47</b>
<b>V Profit/(Loss) before exceptional items and tax</b>		<b>587.16</b>	<b>58.23</b>	<b>14.93</b>
VI Exceptional Items		-	-	-
VII Profit/ (Loss) before tax		<b>587.16</b>	<b>58.23</b>	<b>14.93</b>
<b>VIII Tax Expense:</b>				
a) Current Tax	33	38.72	-	-
b) Deferred Tax	33	2.27	20.05	1.18
<b>Total tax expenses ( VIII )</b>		<b>40.99</b>	<b>20.05</b>	<b>1.18</b>
<b>IX Profit/ (Loss ) for the period from continuing Operations</b>		<b>546.17</b>	<b>38.18</b>	<b>13.75</b>
<b>X Other comprehensive income</b>				
Items that will not to be reclassified to profit or loss		-	-	-
Impact of fair valuation of Equity Shares		(155.68)	0.15	28.13
<b>XI Total comprehensive income for the period ( IX - X )</b>		<b>390.49</b>	<b>38.33</b>	<b>41.88</b>
<b>Earnings per equity share( Nominal value of Rs. 10/- per share )</b>				
Basic	32	7.15	0.60	0.27
Diluted	32	7.15	0.60	0.27
Summary of Notes and Significant accounting policies	1-2			
The accompanying notes form an integral part of these financial statements				

As per our report of even date

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Regn No. 003645N

Sd/-  
CA Sunil Kumar Gupta  
Partner  
Membership No.: 082486

Place: Mohali  
Date: 18-07-2022  
ICAI UDIN NO. : 22082486ANQEHO5844

For and on behalf of the Board of directors

Sd/- Harpreet Singh Nibber  
(Director )  
DIN No. 00239042

Sd/- Ajay Kumar  
(Director )  
DIN No. 02929113

Place: Mohali  
Date: 18-07-2022

**Pritika Engineering Components Limited**  
**CIN NO. U28999PB2018PTC047462**  
**C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055**  
**Annexure :-III : Restated Statement of Cash Flows**

(All Amount in Lakhs )

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before tax as per statement of Profit & Loss	587.16	58.23	15.14
<b>Adjustments for:</b>			
- Depreciation and amortisation expense	206.36	104.12	78.17
- Finance costs	219.34	190.53	169.59
- Gain on sale of Investment	(366.21)	(27.57)	-
<b>Operating profit before working capital changes</b>	<b>646.65</b>	<b>325.31</b>	<b>261.90</b>
<b>Adjustments for :</b>			
Increase/(Decrease) in Trade Payables	340.00	165.65	(99.14)
Increase/(Decrease) in Other Current Liabilities	108.62	215.50	(103.67)
(Increase) / Decrease in Trade Receivables	(911.37)	17.96	4.46
(Increase) / Decrease in Inventories	(54.12)	(411.45)	(58.71)
(Increase)/ Decrease in Other Current Assets	(84.67)	(58.84)	86.43
<b>Cash generated from operations</b>	<b>45.11</b>	<b>254.13</b>	<b>91.27</b>
Taxes paid	-	-	(1.90)
<b>Net Cash from Operating Activities</b>	<b>45.11</b>	<b>254.13</b>	<b>93.16</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant & Equipment	(933.09)	(1,090.90)	(398.50)
(Purchase)/Sale of Shares	497.11	53.10	(140.63)
Movement in fixed deposits (having original maturity of more than three months)	9.26	(40.81)	(2.51)
<b>Net Cash used in Investing Activities</b>	<b>(426.72)</b>	<b>(1,078.61)</b>	<b>(541.64)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Long Term Loans Raised (Net )	410.73	339.85	506.40
Short term loan Raised (Net )	205.30	(4.52)	112.19
Share Capital issued including premium	-	685.00	-
Interest Paid	(219.34)	(190.53)	(169.59)
<b>Net Cash from Financing Activities</b>	<b>396.69</b>	<b>829.80</b>	<b>449.00</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>15.08</b>	<b>5.31</b>	<b>(2.27)</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>8.16</b>	<b>2.85</b>	<b>5.12</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>23.24</b>	<b>8.16</b>	<b>2.85</b>

**Notes:**

- 1.) The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard - 03 "Statement of Cash Flow".
- 2.) Figures in bracket indicates cash outflow

As per our report of even date

For and on behalf of the Board of Directors of

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Regn No. 003645N

Sd/-  
CA Sunil Kumar Gupta  
Partner  
Membership No.: 082486

Sd/-  
Harpreet Singh Nibber  
( Director )  
DIN No. 00239042

Sd/-  
Ajay Kumar  
( Director )  
DIN No. 02929113

Place: Mohali  
Date: 18-07-2022  
ICAI UDIN NO. : 22082486ANQEHO5844

Place: Mohali  
Date: 18-07-2022

**Pritika Engineering Components Limited**  
CIN NO. U28999PB2018PTC047462  
C-94, Phase - VII, S.A.S Nagar, Mohali, Punjab-160055  
**Annexure :-IV : Restated Statement of Change In Equity**

(All Amount in Lakhs)

A. Equity Share Capital-		
Particulars	No.of Shares	Amount
<b>Authorised Capital</b>		
Balance as at April 1, 2019	50.00	500.00
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1, 2019	50.00	500.00
Issue of Shares during the year	-	-
As at 31st March 2020	50.00	500.00
Balance as at April 1, 2020	50.00	500.00
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1, 2020	50.00	500.00
Issue of Shares during the year	30.00	300.00
As at 31st March 2021	80.00	800.00
Balance as at April 1, 2021	80.00	800.00
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1, 2021	80.00	800.00
Issue of Shares during the year	-	-
As at 31st March 2022	80.00	800.00
<b>Issued and Subscribed Share Capital</b>		
Balance as at April 1, 2019	50.00	499.99
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1, 2019	50.00	499.99
Issue of Shares during the year	-	-
As at 31st March 2020	50.00	499.99
Balance as at April 1, 2020	50.00	499.99
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1, 2020	50.00	499.99
Issue of Shares during the year	26.35	263.46
As at 31st March 2021	76.35	763.45
Balance as at April 1, 2021	76.35	763.45
Changes in equity share capital due to prior period errors	-	-
Restated balance as at April 1, 2021	76.35	763.45
Issue of Shares during the year	-	-
As at 31st March 2022	76.35	763.45

**B. Other Equity**

Particulars	Reserves and Surplus		Total
	Securities premium	Retained earnings	
Balance as at April 1, 2019	-	(3.07)	(3.07)
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at April 1, 2019	-	(3.07)	(3.07)
Profit for the Current year	-	13.75	13.75
Security Premium during the year	-	-	-
Other Comprehensive income for the year	-	28.13	28.13
Balance as at March 31, 2020	-	38.81	38.81
Balance as at April 1, 2020	-	38.81	38.81
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at April 1, 2020	-	38.81	38.81
Profit for the Current year	-	38.18	38.18
Security Premium during the year	421.54	-	421.54
Other Comprehensive income for the year	-	0.15	0.15
Balance as at March 31, 2021	421.54	77.14	498.68
Balance as at April 1, 2021	421.54	77.14	498.68
Changes in accounting policy or prior period errors	-	-	-
Restated balance as at April 1, 2021	421.54	77.14	498.68
Profit for the Current year	-	546.17	546.17
Other Comprehensive income	-	(155.68)	(155.68)
Security Premium during the year	-	-	-
Balance as at March 31, 2022	421.54	467.63	889.17

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve :

a. **Security Premium** : Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013

b. **Retained Earnings** :Retained earnings comprises of prior and current year's undistributed earnings after tax.

As per our report of even date

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Regn No. 003645N

For and on behalf of the Board of directors

Sd/-  
CA Sunil Kumar Gupta  
Partner  
Membership No.: 082486

Sd/-  
Harpreet Singh Nibber  
(Director)  
DIN No. 00239042

Sd/-  
Ajay Kumar  
(Director)  
DIN No. 00239117

Place: Mohali  
Date: 18-07-2022  
ICAI UDIN NO. : 22082486ANQEHO5844

Place: Mohali  
Date: 18-07-2022

**Pritika Engineering Components Limited**  
**CIN NO. U28999PB2018PTC047462**  
**C-94, Phase - VII , S.A.S Nagar , Mohali , Punjab-160055**  
**ANNEXURE : V : NOTES TO THE RESTATED FINANCIAL STATEMENTS**

**Note No. 1: Notes To The Financial Statement**

**1 GENERAL INFORMATION**

Pritika Engineering Components Private Limited ( " the Company ") a private company domiciled in India was incorporated on 20.02.2018 with the objective of manufacturing of tractor and automobile components .The company is having works at Village Simbli , Phagwara - Hoshiarpur Road , Tehsil & District Hoshiarpur , Punjab-146001. The Company is wholly owned subsidiary of Pritika Auto Industries Limited .The Restated financial statements were approved for issue by the board of directors on July 18 , 2022.

**Note No. 2: SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) rule as amended from time to time.

2.2 The Company has prepared the Balance sheet by recognising all assets and liabilities whose recognition is required by Ind AS , not recognising assets or liabilities which are not permitted by Ind AS .

**2.3 Summary of Significant Accounting Policies**

**2.3.1 Current versus non - current classification**

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act , 2013 . Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents , the Company has determined its operating cycle as twelve months for the purpose of current-non current classification of assets and liabilities.Current assets do not include elements which are not expected to be realised within 12 months and current liabilities do not include items where the Company does not have an unconditional right to defer settlement beyond a period of 12 months , the period of 12 months reckoned from the reporting date .

**2.3.2 Property, Plant and Equipment (PPE)**

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, including non-refundable duties and taxes net of any trade discounts and rebates. The cost of PPE includes interest on borrowings (borrowing cost) directly attributable to acquisition, construction or production of qualifying assets subsequent to initial recognition, PPE are stated at cost less accumulated depreciation (other than freehold land, which are stated at cost) and impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and capital work in progress) less their residual values over the useful lives, using the straight- line method ("SLM"). Management believes based on a technical evaluation (which is based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.) that the revised useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

<b>Asset Useful live</b>	
Buildings including factory buildings	30 years
General Plant and Machinery	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Vehicles	8 years
Computers	3 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**2.3.3 Intangible assets**

Intangible assets are measured on initial recognition at cost and subsequently are carried at cost less accumulated amortisation and accumulated impairment losses, if any. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on derecognition are determined by comparing proceeds with carrying amount. These are included in profit or loss.

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**2.3.4 Capital work-in-progress and intangible assets under development**

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

**2.3.5 Non-derivative financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**2.3.6 Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Cash flow statement**

'Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated.

**2.3.7 Financial Assets**

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial liabilities**

Financial liabilities are measured at amortised cost .

**2.3.8 Impairment**

**PPE and intangibles assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

**2.3.9 Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Company.

**2.3.10 Employee benefit expenses**

Employee benefits consist of contribution to provident fund, superannuation fund, gratuity fund and compensated absences. Liability on account of contribution to gratuity and earned leave has not been provided during the year.

**2.3.11 Borrowing cost**

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of any qualifying asset (one that takes a substantial period of time to get ready for its designated use or sale) are capitalised until such time as the assets are substantially ready for their intended use or sale, and included as part of the cost of that asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All the other borrowing costs are recognised in the Statement of Profit and Loss within Finance costs of the period in which they are incurred.

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**2.3.12 Income tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

**Current tax**

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting dates.

**2.3.13 Accounting of provisions, contingent liabilities and contingent assets**

Provisions are recognized, when there is a present legal or constructive obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where the effect is material, the provision is discounted to net present value using an appropriate current market-based pre-tax discount rate and the unwinding of the discount is included in finance costs.

Contingent liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

**2.3.14 Earnings per share (EPS)**

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

3. Property, Plant and Equipment

(All amounts in INR)

Particulars	Air Conditioner	Computers	Plant and Machinery	Office Equipment	Lab Equipment	Vehicle	Land	Electric Installation	Furniture and Fixtures	D.G Set	Building	Total	Capital Work in Progress	Total
<b>Cost or Deemed Cost</b>														
At April 1, 2019	0.34	2.62	1,017.02	12.70	23.68	14.92	225.59	75.55	4.59	23.74	329.79	1,730.54	649.82	2,380.36
Addition	0.23	3.31	43.24	0.82	-	-	-	0.82	0.47	-	-	48.89	349.61	398.50
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2020	0.57	5.93	1,060.26	13.52	23.68	14.92	225.59	76.37	5.06	23.74	329.79	1,779.43	999.43	2,778.86
At April 1, 2020	0.57	5.93	1,060.26	13.52	23.68	14.92	225.59	76.37	5.06	23.74	329.79	1,779.43	999.43	2,778.86
Addition	-	1.41	1,448.65	2.06	0.21	-	102.57	16.46	1.11	-	174.51	1,746.98	482.58	2,229.56
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	1,260.40	1,260.40
At March 31, 2021	0.57	7.34	2,508.91	15.58	23.89	14.92	328.16	92.83	6.17	23.74	504.30	3,526.41	221.61	3,748.02
At April 1, 2021	0.57	7.34	2,508.91	15.58	23.89	14.92	328.16	92.83	6.17	23.74	504.30	3,526.41	221.61	3,748.02
Addition	2.26	4.04	761.94	-	0.45	-	-	11.36	6.02	-	237.49	1,023.56	195.60	1,219.16
Transfer / Sale	-	-	11.37	-	-	-	-	-	-	-	-	11.37	274.69	286.06
At March 31, 2022	2.83	11.38	3,259.48	15.58	24.34	14.92	328.16	104.19	12.19	23.74	741.79	4,538.60	142.52	4,681.12
<b>Depreciation and Impairment</b>														
At April 1, 2019	0.02	0.63	30.52	1.23	2.30	1.35	-	3.42	0.26	1.08	10.41	51.22	-	51.22
Addition	0.05	0.97	48.70	2.54	4.50	1.77	-	7.23	0.46	1.50	10.45	78.17	-	78.17
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2020	0.07	1.60	79.22	3.77	6.80	3.12	-	10.65	0.72	2.58	20.86	129.39	-	129.39
At April 1, 2020	0.07	1.60	79.22	3.77	6.80	3.12	-	10.65	0.72	2.58	20.86	129.39	-	129.39
Addition	0.05	2.07	72.54	2.71	4.51	1.77	-	7.89	0.51	1.50	10.57	104.12	-	104.12
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2021	0.12	3.67	151.76	6.48	11.31	4.89	-	18.54	1.23	4.08	31.44	233.51	-	233.51
At April 1, 2021	0.12	3.67	151.76	6.48	11.31	4.89	-	18.54	1.23	4.08	31.44	233.51	-	233.51
Addition	0.19	2.41	163.94	2.96	4.55	1.77	-	9.40	0.95	1.50	18.69	206.36	-	206.36
Transfer / Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2022	0.31	6.08	315.70	9.44	15.86	6.66	-	27.94	2.18	5.58	51.12	439.87	-	439.87
Net Block as on 31.03.2022	2.52	5.30	2,943.78	6.14	8.48	8.26	328.16	76.25	10.01	18.16	690.67	4,099.73	142.52	4,242.25
Net Block as on 31.03.2021	0.45	3.67	2,357.15	9.10	12.58	10.03	328.16	74.29	4.94	19.66	472.87	3,292.90	221.61	3,514.51
Net Block as on 31.03.2020	0.50	4.33	981.04	9.75	16.88	11.80	225.59	65.72	4.34	21.16	308.93	1,650.04	999.43	2,649.47

Note : Please Refer Note No. 39 for CWIP ageing and Refer Note No. 41 for details regarding land and building

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4 Investments (All amounts in INR)

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
<b>Investments carried at Fair value through Other Comprehensive Income ( FVOCI)</b>			
<b>Investments in Equity Instruments (quoted)</b>			
Shares in Ajooni Biotech Limited (Equity Shares of Rs 10 / - each , 92 Shares in March 2022 , 8,72,794 Shares in March 2021 and 9,37,500 Shares in March 2020 )	0.06	265.33	168.75
<b>Total</b>	<b>0.06</b>	<b>265.33</b>	<b>168.75</b>
Aggregate market value of Quoted Investments	0.06	265.33	168.75

( Note : Fair value of the Ajooni Biotech Limited has been done according to the Level-1 ( Quoted prices (unadjusted) in active markets for identical assets or liabilities)

5 Other Financial Assets

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Bank deposits having maturity more than 12 months	15.00	15.00	-
<b>Total</b>	<b>15.00</b>	<b>15.00</b>	<b>-</b>

6 Deferred tax assets

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Mat Credit Entitlement	1.90	1.90	1.90
<b>Total</b>	<b>1.90</b>	<b>1.90</b>	<b>1.90</b>

7 Other Non-Current Assets

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Unamortised Cost	5.31	6.20	7.08
<b>Total</b>	<b>5.31</b>	<b>6.20</b>	<b>7.08</b>

8 Inventories

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Raw Materials	272.78	400.49	245.93
Store & Spares	55.13	47.48	29.63
Work in Process	645.35	519.23	280.19
Finished Goods	48.06	-	-
<b>Total inventories at the lower of cost and net reliable value</b>	<b>1,021.32</b>	<b>967.20</b>	<b>555.75</b>

9 Trade Receivables

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Unsecured, Considered Good *	1,399.16	487.78	505.74
<b>Total</b>	<b>1,399.16</b>	<b>487.78</b>	<b>505.74</b>

\* Note : Trade receivables includes receivables from related parties . ( Refer Note No. 34) and for ageing of the trade receivables ( Refer Note no.37)

10 Cash and Cash Equivalents

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Balances with banks			
- in current accounts	9.32	7.12	1.94
- Deposits in Bank with Original Maturity Less than 3 Months *	13.23	-	-
Cash in Hand ( including imprest )	0.69	1.04	0.91
<b>Total</b>	<b>23.24</b>	<b>8.16</b>	<b>2.85</b>



**11 Bank balances other than Cash and Cash Equivalents**

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Investment in term deposits (With Original Maturity more than 3 months but less than 12 months*)	75.41	84.67	43.86
<b>Total</b>	<b>75.41</b>	<b>84.67</b>	<b>43.86</b>

\* Note : FDR of Rs. 75.41 Lakhs ( Py 84.67 Lakhs ) had been provided as security against loans to the banks and NBFC's .

**12 Other Current Financial Assets**

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Advance to Staff	6.07	14.06	3.45
Advances Others *	145.36	27.03	8.84
Security Deposits	122.31	92.31	78.11
<b>Total</b>	<b>273.74</b>	<b>133.40</b>	<b>90.40</b>

\* Note : Advances others includes advance to related party which is not in the nature of loan . ( Refer Note No. 34)

**13 Other Current Assets**

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Prepaid expenses	3.94	5.10	2.04
Balance with Govt. authorities	46.03	99.66	106.20
<b>Total</b>	<b>49.97</b>	<b>104.76</b>	<b>108.24</b>

**13(i) Income Tax Assets ( Net)**

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Income Tax Assets (Net)	-	5.38	0.34
<b>Total</b>	<b>-</b>	<b>5.38</b>	<b>0.34</b>

**14 Equity Share Capital**

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
<b>Authorised</b>			
80,00,000 ( PY 80,00,000 in March 2021 and 50,00,000 in March 2020 ) Equity shares of Rs.10/- each	800.00	800.00	500.00
	<b>800.00</b>	<b>800.00</b>	<b>500.00</b>
<b>Issued, subscribed and fully paid-up</b>			
Equity shares of Rs.10/- each	763.45	763.45	499.99
<b>Total</b>	<b>763.45</b>	<b>763.45</b>	<b>499.99</b>

**(a) Reconciliation of shares outstanding at the beginning and at the end of the period**

Particulars	No of shares	Amount in INR
<b>Equity Shares</b>		
At April 1, 2019	49,99,902	4,99,99,020
Add: Issued during the period	-	-
At March 31, 2020	49,99,902	4,99,99,020
Add: Issued during the period	26,34,613	2,63,46,130
At March 31, 2021	76,34,515	7,63,45,150
Add: Issued during the period	-	-
At March 31, 2022	<b>76,34,515</b>	<b>7,63,45,150</b>

**(b) Term/right attached to equity shares:**

The Company has only one class of equity share having a par value of INR 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of the liquidation of the Company , the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts . The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Shares held by holding company**

Out of the equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	No. Of Shares	% of holding
<b>Equity Shares</b>		
<b>Shares held by Holding Company</b>		
Pritika Auto Industries Limited		
At March 31, 2020	4999902*	100%
At March 31, 2021	7634515*	100%
At March 31, 2022	7634515*	100%

\* Note : Out of above holding two shares are registered in name of Mr. Raminder Singh Nibber as nominee of Pritika Auto Industries Limited

**(d) Details of Shareholding of Promoter as below**

31.03.2022		
Promoter Name	No of Shares	% of holding
Pritika Auto Industries Limited	76,34,515	100.00%

31.03.2021			% Change during the year
Promoter Name	No of Shares	% of holding	
Pritika Auto Industries Limited	76,34,515	100.00%	Nil

31.03.2020			% Change during the year
Promoter Name	No of Shares	% of holding	
Pritika Auto Industries Limited	49,99,902	100.00%	Nil

**(e) Details of share held by each shareholder holding more than 5 % shares**

Particulars	No. Of Shares	% of holding
<b>Equity Shares</b>		
<b>Shares held by Holding Company</b>		
Pritika Auto Industries Limited		
At March 31, 2020	4999902*	100%
At March 31, 2021	7634515*	100%
At March 31, 2022	7634515*	100%

<b>Other Equity</b>			
Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
<b>Retained Earnings</b>			
Opening balance	77.14	38.81	(3.07)
Net Profit / (loss) for the year	546.17	38.18	13.75
Other Comprehensive Income	(155.68)	0.15	28.13
Equity Share Premium	421.54	421.54	-
<b>Total</b>	<b>889.17</b>	<b>498.68</b>	<b>38.81</b>

<b>Borrowings</b>			
Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
<b>Term Loan</b>			
<b>(a) Secured</b>			
- From Banks	1,272.26	1,310.20	1,147.04
- From Financial Institutions / NBFC	420.53	358.32	-
<b>(b) Unsecured</b>			
- From Body Corporates-related party	-	-	510.14
<b>Total</b>	<b>1,692.79</b>	<b>1,668.52</b>	<b>1,657.18</b>

**Note No.16 (a) (1): Details of Securities and Terms of Repayment****Secured : Term loans from Banks**

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
<b>Canara Bank</b> : The Term loan of Rs. 1286 lacs repayable in 107 monthly installments .Current rate of interest is 8.20% p.a . This loan is secured by first charge of EMT of Factory land and building and hypothecation of Existing Plant and machineries except the machinery /equipment funded by other banks/NBFCs. This loan is also personally guaranteed by directors Namely Mr. Raminder Singh Nibber & Mr. Harpreet Singh Nibber. Moreover Pritika Auto Industries Limited , holding company had given corporate guarantee amounting to Rs 19.84 Cr to Canara Bank .	1,086.72	1,206.72	1,210.04
<b>HDFC Bank</b> : The Term loan of Rs.298 lacs repayable in 40 monthly instalments comprising 1st installment of Rs. 0.68 lacs and next 3 installments of Rs. 2.04 lacs each and next 36 installments of Rs. 9.37 lacs each . This term loan is sanctioned under ECGLS scheme .Current rate of interest is 7.99% p.a.	237.98	-	-
<b>HDFC Bank</b> : The Term loan of Rs.36.50 lacs repayable in 60 monthly instalments of Rs. 0.74 lacs each. This term loan is secured against machinery purchased out of this fund . Current rate of interest is 7.75% p.a.	33.45	-	-

<b>Canara Bank</b> - The Working Capital Term loan of Rs. 149 lacs repayable in 60 monthly installments including moratorium period of 24 months under Guaranteed Emergency Credit Line of the NCGTCL . Amount of monthly instalment is of Rs.0.41 Lacs each . The credit facility will rank second charge with the existing credit facilities by Canara bank in term of cash flow and hypothecation of machineries fund through term loan by Canara bank. Current rate of interest is 7.50% p.a .	149.00	-	-
<b>Canara Bank</b> : The Working Capital Term loan of Rs. 298 lacs repayable in 48 monthly installments including moratorium period of 1 year under Guaranteed Emergency Credit Line of the NCGTCL . The credit facility will rank second charge with the existing credit facilities by Canara bank in term of cash flow and hypothecation of machineries fund through term loan by Canara bank. Current rate of interest is 7.50% p.a .	-	298.00	-
<b>Total</b>	<b>1,507.15</b>	<b>1,504.72</b>	<b>1,210.04</b>
Less: Amount shown in Other Financial liabilities in Note No. 22 towards Current Maturities of Loans .	234.89	194.52	63.00
<b>Amount shown as Loan</b>	<b>1,272.26</b>	<b>1,310.20</b>	<b>1,147.04</b>

**Note No.16 (a) (2): Details of Securities and Terms of Repayment**  
Secured : Term loans from Financial Institutions / NBFC

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
<b>Electronica Finance Limited</b> : The Machinery Loan of Rs 56.29 Lakhs repayable in 48 monthly installments of Rs. 1.37 lakhs each including interest @ 7.90% p.a. This loan is fully secured by the machineries purchased out of the fund .	44.91	56.23	-
<b>SIDBI</b> : The Term loan of Rs. 101 lacs repayable in 60 monthly installments ( including moratorium of 24 months ) comprising first 35 installments of Rs. 2.81 lacs each and last 36th instalment of Rs. 2.65 Lacs .Current rate of interest is 6% p.a .This loan is covered under Emergency Credit line Guarantee Scheme ( ECLGS ) of National Credit Guarantee trustee Company Limited ( NCGTC ). This loan is fully secured by second charge by way of equitable mortgage in favour of SIDBI of all the immovable properties of borrower , both present and future situated at village -Simbli , Tehsil & District - Hoshiarpur , Punjab admeasuring 37 Kanal , 13 Marle and 6 Sarsahi. by the machineries purchased out of the fund and second charge on all the immovable properties of the borrower , both present and future situated at village Simbli , Tehsil & Distt. Hoshiarpur , Punjab , by hpothecation in favour or SIDBI on all the borrower's movables and by way of pledge of FDR with SIDBI of Rs. 25 Lakh.	101.00	-	-
<b>SIDBI</b> : The Term loan of Rs. 375 lacs repayable in 72 monthly installments comprising first 12 installments of Rs. 4 lacs each , next 12 monthly installments of Rs. 6.50 lacs each , next 24 installments of Rs. 8 lacs each next 18 installments of Rs. 2.50 lacs each and next 6 installments of Rs. 2 lacs each .Current rate of interest is 9.40% p.a with a monotoriaum period 12 month .This loan is fully secured by the machineries purchased out of the fund and second charge on all the immovable properties of the borrower , both present and future situated at village Simbli , Tehsil & Distt. Hoshiarpur , Punjab.Moreover Pritika Auto Industries Limited , holding company had given corporate guarantee amounting to Rs 375 Lakhs to Canara Bank .	351.01	337.47	-
<b>Total</b>	<b>496.92</b>	<b>393.70</b>	<b>-</b>
Less: Amount shown in Other Financial liabilities in Note No. 22 towards Current Maturities of Loans .	76.39	35.38	-
<b>Amount shown as Loan</b>	<b>420.53</b>	<b>358.32</b>	<b>-</b>

**Note No. 16 (b)**

Loan from Body Corporates

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
Pritika Auto Industries Limited	-	-	510.14
	-	-	510.14

**17 Provisions**

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
<b>Provision for Employee Benefits</b>			
Leave encashment	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

**18 Deferred Tax Liabilities**

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
Relating to the origination and reversal of temporary differences of Depreciation between Income Tax and Company Act	25.79	23.52	3.46
<b>Total</b>	<b>25.79</b>	<b>23.52</b>	<b>3.46</b>

## 19 Other Non - Current Liabilities

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
<b>From Related Party</b>			
Tooling Advance	965.00	864.44	666.58
Advance against supplies	766.61	370.53	347.89
<b>Total</b>	<b>1,731.61</b>	<b>1,234.97</b>	<b>1,014.47</b>

## 20 Borrowings

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
<b>Secured</b>			
Cash Credit - Loan Repayable on Demand			
- Canara Bank *	115.35	298.29	302.81
- HDFC Bank **	388.25	-	-
Current Maturities of Long term Loans	311.28	229.90	63.00
<b>Total</b>	<b>814.88</b>	<b>528.19</b>	<b>365.81</b>

### Note :

\* Secured by Hypothecation of all kinds of Raw Material / Work in progress / Finished goods and receivable of the Company ( present and future ) and carries interest rate RLLR (6.90%) +0.85%=7.75% .

\*\* Secured by first pari passu charge on current assets , P& M , other Fixed assets and properties mentioned in the property collateral template . Further secured by second pari passu charge on current asset of GECL . Limit is secured by personal guarantee of directors and Corporate guarantee by Pritika Auto Industries Limited . Interest rate is Repo rate + 3.50 %=7.50% . Current 3 month's repo rate is 4% .

## 21 Trade Payables

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Trade payables			
Total Outstanding dues of micro enterprise and small enterprise	-	-	-
Total Outstanding dues of creditors other than micro enterprise and small enterprise*	708.75	368.75	203.10
<b>Total</b>	<b>708.75</b>	<b>368.75</b>	<b>203.10</b>

\*Disclosure in relation to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ('Act'). The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum Number as allocated after filing of the said Memorandum. Accordingly, the disclosures below in respect of the amounts payable to such enterprises as at the period end has been made based on information received and available with the Company.

As explained by management there is no outstanding balance related to Micro and Small enterprises 'Suppliers' as defined in the Micro, Small and Medium Enterprises Development Act, 2006 ('Act') as at year end.

## 22 Other Financial Liabilities

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Interest Accrued but not due on borrowings	4.57	3.14	1.65
Creditors for Capital Expenditure	11.82	23.09	82.26
Creditors for others	330.07	380.04	220.33
<b>Employee Related Liabilities</b>			
Salaries and Wages payable	19.63	16.25	7.80
Audit Fee Payable	0.38	0.05	0.44
Electricity Expenses Payable	26.64	58.38	27.85
Other Liabilities	19.18	17.39	4.86
<b>Total</b>	<b>412.29</b>	<b>498.34</b>	<b>345.19</b>

## 23 Other Current Liabilities

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Statutory dues payable	37.40	9.87	6.37
<b>Total</b>	<b>37.40</b>	<b>9.87</b>	<b>6.37</b>

## 24 Current tax liability

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Provision for Income Tax	31.23	-	-
<b>Total</b>	<b>31.23</b>	<b>-</b>	<b>-</b>

## ANNEXURE : V : NOTES TO THE RESTATED FINANCIAL STATEMENTS

## 25 Revenue from Operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products ( Net of Sales Returns )	6,324.00	3,783.81	2,557.74
Less: Indirect Taxes	963.25	576.65	389.90
	<u>5,360.75</u>	<u>3,207.16</u>	<u>2,167.84</u>
<b>Total</b>	<b><u>5,360.75</u></b>	<b><u>3,207.16</u></b>	<b><u>2,167.84</u></b>

## 26 Other Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest received on deposits with banks and others	11.31	9.18	4.56
Misc Receipt	1.31	0.45	-
Profit on Sale of Shares	366.21	27.57	-
	-	-	-
<b>Total</b>	<b><u>378.83</u></b>	<b><u>37.20</u></b>	<b><u>4.56</u></b>

## 27 Cost of materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Raw material and components consumed</b>			
Inventory at the beginning of the year-Raw Materials	400.49	245.93	165.63
Inventory at the beginning of the year-Stores ,Spares, Packing Material	47.48	29.63	18.73
	<u>447.97</u>	<u>275.56</u>	<u>184.36</u>
<b>Purchases</b>			
Raw Materials	3,352.84	2,217.44	1,371.09
	<u>3,352.84</u>	<u>2,217.44</u>	<u>1,371.09</u>
Less: Inventory at the end of the year - Raw Materials	272.78	400.49	245.93
Less: Inventory at the end of the year- Stores ,Spares and Packing Material	55.13	47.48	29.63
<b>Total</b>	<b><u>3,472.90</u></b>	<b><u>2,045.03</u></b>	<b><u>1,279.89</u></b>

## 27(a) Changes in inventories of finished goods and Work in progress

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
1. Opening inventories			
Stock in Process	519.23	280.19	240.45
Finished Goods	-	-	-
2. Closing inventories			
Stock in Process	645.35	519.23	280.19
Finished Goods	48.06	-	-
	<u>(174.18)</u>	<u>(239.04)</u>	<u>(39.74)</u>

## 28 Employee Benefits Expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	235.78	127.42	134.76
Director Remuneration	12.00	10.50	11.50
Contribution to Provident and ESI Funds	14.74	8.38	6.71
Staff Welfare Expenses	35.40	23.26	19.68
<b>Total</b>	<b><u>297.92</u></b>	<b><u>169.56</u></b>	<b><u>172.65</u></b>

## ANNEXURE : V : NOTES TO THE RESTATED FINANCIAL STATEMENTS

## 29 Finance Cost

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expenses	210.58	183.23	161.41
Other Borrowing costs	8.76	7.30	8.18
<b>Total</b>	<b>219.34</b>	<b>190.53</b>	<b>169.59</b>

## 30 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on tangible assets	206.36	104.13	78.18
<b>Total</b>	<b>206.36</b>	<b>104.13</b>	<b>78.18</b>

## 31 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>(a) Manufacturing Expenses</b>			
Cartage & Forwarding	55.68	55.31	26.44
Power & Fuel	570.40	456.27	262.96
Contractual Job Work Expenses	52.66	41.76	113.66
- Building	-	-	0.18
- Machinery	11.59	0.19	-
Workshop Expenses	282.43	233.20	-
Other Manufacturing Expenses	15.73	5.82	0.26
	<b>988.49</b>	<b>792.55</b>	<b>403.50</b>
<b>(b) Administrative &amp; Selling Expenses</b>			
Payment to Auditors*	1.60	1.31	1.42
Rates & Taxes	1.91	4.71	1.37
Insurance	11.83	3.63	1.85
Legal & Professional Charges	10.52	8.12	5.51
Communication Expenses	1.56	1.06	1.42
Printing & Stationery	2.99	1.62	1.86
Vehicle Running Expenses	1.44	0.84	0.25
Travelling & Conveyance Expenses	3.49	1.52	2.52
Freight Outward	65.71	65.93	39.99
Repairs and Maintenance others	-	-	0.40
Security expenses	19.27	17.10	18.04
Other Misc. Expenses	21.27	17.54	18.78
<b>Total</b>	<b>1,130.08</b>	<b>915.93</b>	<b>496.91</b>

## \*Detail of Payment to Auditors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit Fee	1.25	1.25	1.25
Auditor's out of pocket Expenses	0.35	0.06	0.17
<b>Total</b>	<b>1.60</b>	<b>1.31</b>	<b>1.42</b>

## 32 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Net Profit after tax attributable to equity holders</b>	<b>5,46,16,820</b>	<b>38,17,763</b>	<b>13,74,504</b>
Weighted average no of equity shares outstanding during the year- Basic EPS	76,34,515	63,80,249	49,99,902
Face value of Equity Share ( INR )	10.00	10.00	10.00
Basic EPS	7.15	0.60	0.27
Weighted average no of equity shares outstanding during the year-Diluted EPS	76,34,515	63,80,249	49,99,902
Face value of Equity Share ( INR )	10.00	10.00	10.00
Diluted EPS	7.15	0.60	0.27

## ANNEXURE : V : NOTES TO THE RESTATED FINANCIAL STATEMENTS

### 33 Current Tax and Deferred Tax

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current Tax:</b>			
Current income tax:	38.72	-	-
Adjustments in respect of current income tax of previous period	-	-	-
<b>Deferred Tax:</b>			
Relating to origination and reversal of temporary differences	2.27	20.05	1.18
<b>Total</b>	<b>40.99</b>	<b>20.05</b>	<b>1.18</b>

#### Income Tax on Other Comprehensive Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax	-	-	-
Deferred Tax	-	-	-
Net loss/(gain) on remeasurements of defined benefit plans	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### (c) Reconciliation of deferred tax assets / ( liabilities)( net)

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	23.52	3.47	2.29
Tax liability recognised in Statement of Profit and Loss	2.27	20.05	1.18
<b>Closing Balance</b>	<b>25.79</b>	<b>23.52</b>	<b>3.47</b>

#### (d) Reconciliation of Income tax charge

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	587.16	58.23	14.93
Income tax expense at tax rates applicable	97.50	10.87	3.76
<b>Add/(Less) : Tax effects</b>			
<b>Items deductible for tax</b>			
- Temporary difference between depreciation as per income tax and company act	(59.01)	(10.87)	(3.76)
<b>Items not deductible for tax</b>			
- disallowance ESI /PF	0.23	-	-
<b>Income tax expenses</b>	<b>38.72</b>	<b>-</b>	<b>-</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

### 34 Related party transactions

#### a) Related party and nature of the related party relationship with whom transactions have taken place during the year

##### A) Holding Company

Pritika Auto Industries Limited

##### B) Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives

Pritika Industries limited

##### C) Key Management Personnel

Harpreet Singh Nibber

##### D) Subsidiary Company

Meeta Castings limited

#### Transaction with Related Parties

(Rs. In lakhs)

S.No.	Nature of transactions	Year Ended	Holding Company	Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives	Key Management Personnel	Subsidiary Company
1	Sale	March 31, 2022	1783.6	3171.74		
		March 31, 2021	267.97	2925.1		
		March 31, 2020	194.21	1979.94		
2	Purchase	March 31, 2022	227.36	257.76		

		March 31, 2021	57.98	186.15	
		March 31, 2020	88.77	34.85	
3	Interest Payment	March 31, 2022			
		March 31, 2021			
		March 31, 2020	30.71		
4	Director Remuneration	March 31, 2022			12.00
		March 31, 2021			10.5
		March 31, 2020			11.5
5	Loan Taken	March 31, 2022			
		March 31, 2021	176		
		March 31, 2020	127.64		
6	Loan Repaid	March 31, 2022			
		March 31, 2021	1.14		
		March 31, 2020			
7	Conversion of Loan	March 31, 2022			
		March 31, 2021	685		
		March 31, 2020			
8	Advance Given	March 31, 2022			110.47
		March 31, 2021			
		March 31, 2020			

**Balance Outstanding are as follows :**

S.No.	Nature of transactions	Year Ended	Holding Company	Enterprises owned or Significantly influenced by Key Management Personnel or their Relatives	Key Management Personnel	Subsidiary Company
1	Payables	March 31, 2022	1083.91	723.96		
		March 31, 2021	509.97	237.97		
		March 31, 2020	457.47	52.07		
2	Advances	March 31, 2022				110.47
		March 31, 2021				
		March 31, 2020				
3	Borrowings	March 31, 2022				
		March 31, 2021				
		March 31, 2020	510.14			



ANNEXURE : V : NOTES TO THE RESTATED FINANCIAL STATEMENTS

35 Financial Instruments by categories

The carrying value and fair value of financial instruments by category:

A) Assets and liabilities carried at amortised cost

( Rs. In lakhs)

Particulars	Carrying Value			Fair Value		
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
<b>Financial assets</b>						
Other financial assets	15.00	15.00	-	15.00	15.00	-
Trade Receivables	1399.16	487.78	505.74	1399.16	487.78	505.74
Cash and cash equivalents	23.24	8.16	2.85	23.24	8.16	2.85
Bank balances other than cash and cash equivalents	75.41	84.67	43.86	75.41	84.67	43.86
Other current assets	49.97	104.76	108.24	49.97	104.76	108.24
<b>Total</b>	<b>1562.78</b>	<b>700.37</b>	<b>660.69</b>	<b>1562.78</b>	<b>700.37</b>	<b>660.69</b>
<b>Financial liabilities</b>						
Borrowings	1692.79	1668.52	1657.18	1692.79	1668.52	1657.18
Trade Payables	708.75	368.75	203.10	708.75	368.75	203.10
Other Financial Liabilities	412.29	498.34	345.19	412.29	498.34	345.19
<b>Total</b>	<b>2813.83</b>	<b>2535.61</b>	<b>2205.47</b>	<b>2813.83</b>	<b>2535.61</b>	<b>2205.47</b>

B) Assets and liabilities carried at FVOCI

Particulars	Carrying Value			Fair Value		
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
<b>Financial assets</b>						
Investments *	0.01	115.29	140.63	0.06	265.33	168.75
<b>Total</b>	<b>0.01</b>	<b>115.29</b>	<b>140.63</b>	<b>1.06</b>	<b>265.33</b>	<b>168.75</b>

\* Note:- Fair value of the Ajooni Biotech Limited has been done according to the Level-1 ( Quoted prices (unadjusted) in active markets for identical assets or liabilities)

C) Fair value Measurement

(i) Fair Value hierarchy

Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e.as prices) or indirectly (i.e. derived from prices)

Level 3- Input based on unobservable market data

There are no assets and liabilities which have been carried at fair value through the profit and loss account.

Investments in Equity instruments have been carried at fair value through the other comprehensive income.

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

36 Capital Management

The company manages its capital to ensure that entities in the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the capital deployment.

The company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirement are met through equity and long-term/ short-term borrowings.

The company monitors the capital structure on the basis of total debt to equity ratio and maturity of the overall debt portfolio of the Company.

(Rs. In lakhs)

Particulars	As At	As At	As At
	March 31, 2022	March 31, 2021	March 31, 2020
Debt	2,507.67	2,196.71	2,023.00
Less: cash and cash equivalents	23.24	8.16	2.85
<b>Net Debt (A)</b>	<b>2,484.43</b>	<b>2,188.55</b>	<b>2,020.15</b>
Equity (B)	1,652.62	1,262.13	538.80
<b>Gearing ratio (A/B)</b>	<b>1.50</b>	<b>1.73</b>	<b>3.75</b>

## 37 Trade Receivable Ageing

(Rs. In lakhs)

Particulars (FY -2021-22)	Outstanding for following periods from					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- Considered good	1,398.77	0.39	-	-	-	1,399.16
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables- Considered good	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-

Particulars (FY -2020-21)	Outstanding for following periods from					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- Considered good	487.78	-	-	-	-	487.78
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables- Considered good	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-

Particulars (FY -2019-20)	Outstanding for following periods from					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables- Considered good	505.67	0.07	-	-	-	505.74
(ii) Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed trade receivables- Considered good	-	-	-	-	-	-
(v) Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade receivables- credit impaired	-	-	-	-	-	-

## 38 Trade Payables ageing Schedule

(Rs. In lakhs)

Particulars (FY 2021-22)	Outstanding for following periods from due date for payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	708.75	-	-	-	708.75
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

Particulars ( FY 2020-21 )	Outstanding for following periods from due date for payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	368.75	-	-	-	368.75
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

Particulars ( FY 2019-20 )	Outstanding for following periods from due date for payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	203.10	-	-	-	203.10
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-

39 Capital Work in Progress Ageing

( Rs. In lakhs)

Particulars ( FY 2021-22 )	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	142.52	-	-	-	142.52
Project temporarily suspended	-	-	-	-	-

Particulars ( FY 2020-21 )	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	221.61	-	-	-	221.61
Project temporarily suspended	-	-	-	-	-

Particulars ( FY 2019-20 )	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	349.61	649.82	-	-	999.43
Project temporarily suspended	-	-	-	-	-

40 **Additional Regulatory Information - Analytical Ratios- FY 2021-22**

(Rs. In lakhs)

Name of Ratio	Numerator	Denominator	As At March 31, 2022	As At March 31, 2021	% Variance	Reasons
Current Ratio ( In times )	Current Assets	Current Liabilities	1.42	1.27	11.24%	-
Debt Equity Ratio( In times )	Debt ( Borrowings + Lease Liabilities)	Shareholders Equity	1.02	1.32	-22.52%	-
Debt Service Coverage Ratio( In times )	PAT + depreciation +finance cost+ Profit on sale of PPE	Debt Service ( Interest and lease payments + Principal repayments)	3.55	5.29	-32.83%	Due to increase in treasury income
Return On Equity ( In % )	Net Profit for the year	Average Shareholder Equity	26.79%	4.26%	529.42%	Due to increase in treasury income
Inventory Turnover( In times )	Revenue from Operations	Average Inventory	5.39	4.21	28.02%	Due to increase in revenue from operations
Trade Receivable Turnover ( In times )	Revenue from Operations	Average trade receivables	5.68	6.46	-11.99%	-
Trade Payable Turnover Ratio( In times )	Purchase	Average trade Payable	6.22	7.76	-19.75%	-
Net Capital Turnover Ratio( In times )	Net Working Capital	Revenue from Operations	6.39	8.30	-22.99%	-
Net Profit Margin( In % )	Net Profit for the year	Revenue from Operations	6.80%	1.18%	475.83%	Due to increase in value of investment
Return on Investment( In % )	Income generated from treasury investments	Average invested funds in treasury investments	24%	3%	678.00%	Due to increase in value of investment and treasury income
Return On Capital Employed( In % )	Profit before tax and finance cost	Capital Employed ( Net Worth + borrowings +lease liabilities )	15.81%	5.94%	166.16%	Due to increase in treasury income
EBIDTA	Earning Before interest , Tax and Depreciation		1,013	353		
Net Asset Value Per Share	Restated Net worth	Total no of shares outstanding	22	17		

Additional Regulatory Information - Analytical Ratios- FY 2020-21

(Rs. In lakhs)

Name of Ratio	Numerator	Denominator	As At March 31, 2021	As At March 31, 2020	% Variance	Reasons
Current Ratio ( In times )	Current Assets	Current Liabilities	1.27	1.42	-10.23%	-
Debt Equity Ratio( In times )	Debt ( Borrowings + Lease Liabilities)	Shareholders Equity	1.32	3.08	-57.02%	Due to increase in debt
Return On Equity ( In % )	Net Profit for the year	Average Shareholder Equity	4.26%	8.09%	-47.36%	Due to increase in cost
Inventory Turnover( In times )	Revenue from Operations	Average Inventory	4.21	4.12	2.27%	-
Trade Receivable Turnover ( In times )	Revenue from Operations	Average trade receivables	6.46	4.27	51.28%	Due to increase in sale Debtors increase
Trade Payable Turnover Ratio( In times )	Purchase	Average trade Payable	7.76	5.43	42.92%	Due to increase in Purchase creditors increase
Net Capital Turnover Ratio( In times )	Net Working Capital	Revenue from Operations	8.30	5.61	48.14%	increase in sales
Net Profit Margin( In % )	Net Profit for the year	Revenue from Operations	1.18%	1.93%	-38.71%	Due to increase in cost
Return on Investment( In % )	Income generated from treasury investments	Average invested funds in treasury investments	3.04%	7.77%	-60.93%	Due to increase in cost
Return On Capital Employed( In % )	Profit before tax and finance cost	Capital Employed ( Net Worth + borrowings +lease liabilities )	5.94%	5.74%	3.43%	-
EBIDTA	Earning Before interest , Tax and Depreciation		353	263		
Net Asset Value Per Share	Restated Net worth	Total no of shares outstanding	17	11		

41 Details of Land and Building in Property , Plant and

( Rs. In lakhs)

Rellevant line item in the Balancesheet	Description of item of property	Gross carrying value as on 31.03.2022	Title deeds in the name of	Whether title deed holder is a promoter , director or their relatives	Property Held since which date	Reason for not being held in the name of the Company
PPE	land - Phagwara-Simbli	328.16	Pritika Engineering Components Private Limited	Company	30/04/2018	-
	Building - Phagwara-Simbli	741.79	Pritika Engineering Components Private Limited	Company	30/04/2018	-
Investment Property	-	-	-	-	-	-
PPE retired from active use and held for disposal	-	-	-	-	-	-
others	-	-	-	-	-	-

42 Commitments and Contingencies

( Rs. In lakhs)

Particulars	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
<b>(a) Contingent Liabilities :</b>			
Claim against the Company not acknowledged as debts	-	-	-
- Income Tax	-	-	-
- Letter of credit	90.50	-	-
- Corporate guarantee to bank /NBFCs on behalf of subsidiary of the Company and other body corporates	-	-	-
<b>(b) Capital Commitment *</b>	1.00	-	-
* Company has subscribed Equity Share capital of Meeta Castings Limited (Subsidiary Co.) of Rs. 1 lakh and the same has been paid on 1st April 2022.			

43 The name of The Company "Pritika Engineering Components Private Limited" has been changed to "Pritika Engineering Components Limited" w.e.f dated 21st April 2022 as per fresh certificate of incorporation issued by Registrar of Companies , Chandigarh

44 There is no charge pending yet to be registered or satisfy beyond the due date .

45 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

47 **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risk is the risk of loss related to adverse changes in market prices, including interest rates and foreign exchange rates. In the normal course of business, we are exposed to certain market risks including foreign exchange rate risk and interest risk.

**(i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate

**(ii) Liquidity risk**

The financial liabilities of the company, other than derivatives, include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool. The company plans to maintain sufficient cash and deposits to meet the obligations as and when fall due.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period

(Rs. In lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
<b>Borrowings</b>			
expiring with in one year	814.88	528.19	365.81
expiring beyond one year	1,692.79	1,668.52	1,657.18
	2,507.67	2,196.71	2,022.99
<b>Trade payables</b>			
expiring with in one year	708.75	368.75	203.10
expiring beyond one year	-	-	-
	708.75	368.75	203.10
<b>Other financial liabilities</b>			
expiring with in one year	412.29	498.34	345.19
expiring beyond one year	-	-	-
	412.29	498.34	345.19

**(iii) Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and bank balances is limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. Investments primarily include investment in shares of bank having proven track record and taken as a stipulation of credit facility availed from them. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Customer credit risk is managed by the Entities's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

The impairment analysis is performed on client to client basis at each reporting date for major customers. The company has not considered an allowance for doubtful debts in case of trade receivables that are past due but there has not been a significant change in the credit quality and the amounts are still considered recoverable.

**Write off Policy**

The financial assets are written off, in case there is no reasonable expectation of recovering from the financial asset.

**(iv) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

**Exposure to Interest Rate risk**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows

Particulars	As at 31.03.2022	As at 31.03.2021	As at 31.03.2020
Long term debts from Banks and Financial Institutions and others	1,692.79	1,668.52	1,657.18
Current Maturities of long term debts	311.28	229.90	63.00
Short term Borrowings from Banks	503.60	298.29	302.81
Total borrowings	2,507.67	2,196.71	2,023.00
% of Borrowings out of above bearing variable rate of interest	100%	100%	100%

**Interest rate Sensitivity**

A change of 50 bps in interest rate would have following impact on Profit before tax

(Rs. In lakhs)

Particulars	As at 31.03.2020	As at 31.03.2021	As at 31.03.2022
50 bps increase would decrease the profit before tax by	(12.54)	(10.98)	(10.11)
50 bps decrease would increase the profit before tax by	12.54	10.98	10.11

**(v) General**

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits and vice versa. This assumption depends on the yields on the corporate/government bonds and hence the evaluation of liability is exposed to fluctuations in the yields as at the valuation date.

48 Previous year figures has been regrouped / re arranged wherever considered necessary .

As per our report of even date

For and on behalf of Board of Directors

For Sunil Kumar Gupta & Co.  
Chartered Accountants  
Firm Regn No. 003645N

Sd/-  
CA Sunil Kumar Gupta  
Partner  
Membership No.: 082486

Sd/-  
Harpreet Singh Nibber  
( Director )  
DIN No. 00239042

Sd/-  
Ajay Kumar  
( Director )  
DIN No. 00239117

Place: Mohali  
Date: 18-07-2022  
ICAI UDIN NO. : 22082486ANQEHO5844

Place: Mohali  
Date: 18-07-2022



## OTHER FINANCIAL INFORMATION

### Additional Regulatory Information - Analytical Ratios- FY 2021-22

(Rs. In lakhs)

Name of Ratio	Numerator	Denominator	As At March 31, 2022	As At March 31, 2021	% Variance	Reasons
Current Ratio ( In times )	Current Assets	Current Liabilities	1.42	1.27	11.24%	-
Debt Equity Ratio( In times )	Debt ( Borrowings + Lease Liabilities)	Shareholders Equity	1.02	1.32	-22.52%	-
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EBIDTA	Earning Before interest , Tax and Depreciation		1,013	353		
Net Asset Value Per Share	Restated Net worth	Total no of shares outstanding	22	17		

Additional Regulatory Information - Analytical Ratios- FY 2020-21

(Rs. In lakhs)

Name of Ratio	Numerator	Denominator	As At March 31, 2021	As At March 31, 2020	% Variance	Reasons
Current Ratio ( In times )	Current Assets	Current Liabilities	1.27	1.42	-10.23%	-
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EBIDTA	Earning Before interest , Tax and Depreciation		353	263		
Net Asset Value Per Share	Restated Net worth	Total no of shares outstanding	17	11		

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*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 Accounting Standards (hereinafter referred to as "IND AS"), 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 was incorporated as 'Pritika Engineering Components Private Limited' as a private limited company under the Companies Act, 2013 with the Registrar of Companies, Chandigarh dated 20th February, 2018 at its registered office situated at Plot No.C-94, Phase-VII Industrial Focal Point, S.A.S Nagar, Mohali, Punjab-160055. Pursuant to a special resolution of our Shareholders passed in the extra-ordinary general meeting held on 16th April, 2022, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to 'Pritika Engineering Components Limited', and a fresh certificate of incorporation dated 21st April, 2022 was issued to our Company by the Registrar of Companies, Chandigarh. The corporate identification number of our Company is U28999PB2018PLC047462.

Our Company caters to the tractor industry in the automotive sector with major dependency on Original Equipment Manufacturers. We engaged in the business of manufacturing of precision machined components primarily for automotive industry, especially for tractors, trucks, and other commercial vehicles, etc.

Our Company manufactures various Tractors & Automobile components like End Cover, Cover Sealed Brake, Differential Case, Cover Hydraulic Lift, Cover Transcase, Front Wheel hub, Fly Wheel Housing, Rear Axle Casings, Hydraulic Lift Covers, Brake Housing & Front Engine Supports etc.

With Vision to be First choice among Original Equipment's Manufactures for Machined Castings & to be One of the Largest Producers of Machined Castings in India; Mission to Produce 35,000 MT of Machined Castings by Year 2025. In FY22, we manufactured 6619 MT with an installed capacity of 12000 MT.

Pritika Auto Industries Limited, having CIN L45208PB1980PLC046738 is the sole promoter of our Company. The Company was originally incorporated as a public limited Company on April 11, 1980 under the name and style of Hariganga Machineries and Engineering Services Limited with Registrar of Companies, Maharashtra. Subsequently, the name of the Company was changed to Shivkrupa Machineries and Engineering Services Limited on August 05, 2015. On March 16, 2017, the name of the Company was changed from Shivkrupa Machineries and Engineering Services Limited to Pritika Auto Industries Limited.

The company was previously listed on Calcutta Stock Exchange and the same was directly listed on the Bombay stock exchange dated October 01, 2015. The company intended to get directly listed on the National Stock Exchange through Direct Listing, and received its listing approval dated August 10, 2021.

Application for delisting of the shares of the company was filed with Calcutta Stock Exchange dated February 21, 2017, order of which is awaited.

Our total revenue for 2021-22 is ₹ 5,739.58 lacs with a healthy EBITDA margin of 17.65%. Profit after tax margin is 9.52%. The EBITDA Margin for FY21 & FY20 remained consistently healthy of 10.88% & 12.09% respectively.

Our total revenue from FY20 to FY22 grew by 62.54% CAGR.

In FY20, FY21 & FY22, our unutilized capacity was 59%, 56% & 45% respectively, which shows a huge potential for growth in business. Profit after Tax from FY20 to FY22 grew by 530.24% CAGR. The Long term Debt to Equity ratio has consistently decreased from 3.08 in FY20 & 1.32 in FY21, to 1.02 in FY22.

## **FACTORS AFFECTING OUR RESULT OF OPERATIONS**

Except as otherwise stated in the Draft Prospectus and the Risk Factors given in the Draft Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

### ***Regulatory Framework***

We have obtained all regulatory permissions which are necessary to run our business, Further, some of the approvals are granted for fixed periods of time and need renewals, which are obtained in the course of business, however, there may be change in statutory regulations at any time which cannot be predicted by us. There can be no assurance that the change in regulations will not impact our operations in the future.

### ***Ability of Management***

Our success depends on the continued services and performance of the members of our management team and other key employees. Competition for senior management in the industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our Promoters could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations and financial condition.

### ***Ability to manage logistics and transportation needs***

Apart from in-house transportation facility we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation from our factory to our customers and other markets. Since the cost of our goods also carried by third party transporters is typically much higher than the consideration paid for transportation, it may be difficult for us to recover damages for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Accordingly, our business is vulnerable to increased transportation costs, transportation strikes and lock-outs, shortage of labour, delays and disruption of transportation services for events such as weather-related problems and accidents. Further, global supply chains can be impacted with the increase in the fees of shipping routes putting cost pressures. Further, movement of goods encounters additional risks such as accidents, pilferage, spoilage or shrinkage may adversely affect our operations, results of operations and financial condition. Although we have not experienced any material logistics and transport related disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may not be cost-effective, thereby adversely affecting our operations, results of operations, cash flows and financial condition.

### ***Market & Economic conditions***

India is one of the largest economies and is growing at a rapid pace. But in this globalised economy, all the businesses face an uncertain level of volatility from unexpected global events which ranges from global pandemics to wars, to weather changes to supply chain disruption, which may change the economic dynamics and the purchasing capability of the end customers. At the time of market slowdown the demand falls which has adverse impact on our business.

### ***Competition***

We operate in a competitive atmosphere. Our competition varies by market, geographic areas and type of products. Our Company may face stiff competition from domestic as well as global market as the dynamic changes. Some of our competitors may have greater resources than those available to us. While service quality, technical ability, performance records, etc are key factors in client decisions among competitors, however, price & quality are the deciding factor in most cases. Further, this industry is fragmented with many small and medium sized companies and entities, which manufactures some of these products at various levels, which may adversely affect our business operation and financial condition. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Moreover, as we seek to diversify into new geographical areas, new territories, new emerging markets, we face competition from competitors that have a pan-India presence and also from competitors that have a strong presence in regional markets. The markets in which we compete and intend to compete are undergoing, and are expected to continue to undergo, rapid and significant change. We expect competition to intensify as technological advances and consolidations continue. These competitive factors may force us to reduce rates, and to pursue new market opportunities. Increased competition could result in reduced demand for our products, increased expenses, reduced margins and loss of

market share. Failure to compete successfully against current or future competitors could harm our business, operating cash flows and financial condition.

### **COVID-19 Pandemic**

Since the onset of the COVID-19 pandemic in March 2020, our Company's operations have been affected as our employees faced the threat of getting infected. In 2020, cases of the novel corona virus started rapidly increasing in India, which led the government of India to impose a nationwide lockdown. The spread of Covid-19 and its recent developments have had and might continue to have repercussions across local, national and global economies. To prevent the spread of Covid-19 and to comply with the restrictions, we had to temporarily suspend our operations in order to follow the Government's norms. We continuously monitored the economic conditions and have outlined sufficient measures to combat the pandemic situation at our business premises. Once the lockdown was lifted, our operations restarted in full swing. Initially we did find a little hiccup in finding workers but because of our enterprising organization, we were able to source quality workforce and we were able to train them and we restarted our operations. After lifting the lockdown and resuming our operations the demand in our industry abruptly increased from the different sectors and we attained the highest production during the partial year 2020-21 and FY 2021-22. The demand after pandemic ultimately nullified the impact of shutdown during COVID 19 pandemic. The future impact of COVID-19 or any other severe communicable disease on our business and results of operations depends on several factors including those discussed in the chapter "*Risk Factors*" beginning on Page No. 25. We are continue to closely monitor the economic conditions and the effect of COVID-19 and have outlined certain measures to combat the pandemic situation and to minimize the impact on our business.

### **Significant Developments after March 31, 2022 that may affect our Future Results of Operations**

The Directors confirm that there have been no other 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 business or profitability of our Company or the value of our assets, or our ability to pay liabilities within next twelve months.

## **STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

### **a) Basis of preparation of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at March 31, 2022, 2021 and 2020 and the related restated summary statement of profits and loss and cash flows for the period/year ended March 31, 2022, 2021 and 2020 (herein collectively referred to as ("Restated Summary Statements")) have been compiled by the management from the audited Financial Statements for the period/year March 31, 2022, March 31, 2021 & 2020. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) ("Guidance Note"). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the NSE Emerge in connection with its proposed IPO. The Company's management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The Restated Financial Statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (IND AS) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013.

### **b) Use of Estimates:**

The preparation of the Financial Statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the period/year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ

due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**c) Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is charged to the Statement of Profit and Loss in the period/year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of the recoverable value.

**d) Provisions and Contingent Liabilities:**

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the Financial Statements.

**e) Cash and Cash Equivalents:**

Cash and cash equivalents comprises Cash-in-Hand, Short-term Deposits and Balance in Current Accounts with Banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**f) Inventories:**

Inventories comprises of Raw Material, Stock in Process & Finished Goods, Stores, Spares and Packing Material.

Closing Stock is valued at Cost or Net Realisable Value whichever is lower. Cost of Stock-in-trade comprises of cost of purchase and other costs incurred in bringing them to their respective present location and condition.

**g) Revenue Recognition:**

Revenue from sale of goods net of returns is recognized on dispatch or appropriation of goods in accordance with the terms of sale and is inclusive of goods and service tax as and when applicable, Price escalation claims are recognized to the extent there is reasonable certainty of its realization.

**h) Other Income:**

Interest income is accounted on accrual basis. Income other than interest income is accounted for when right to receive such income is established.

**i) Earning per Share:**

Basic earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity share outstanding during the period. Diluted earning per share is computed by dividing the profit/ (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**j) Taxation & Deferred Tax:**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current tax is measured on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting dates.

**k) Segment Reporting:**

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

**RESULTS OF OUR OPERATIONS**
*(Amount ₹ in lacs)*

Particulars	For the year ended March 31					
	2022	% of Total	2021	% of Total	2020	% of Total
<b>INCOME</b>						
Revenue from Operations	5,360.75	93.40%	3,207.16	98.85%	2,167.84	99.79%
Other Income	378.83	6.60%	37.20	1.15%	4.56	0.21%
<b>Total Income (A)</b>	<b>5,739.58</b>	<b>100.00%</b>	<b>3,244.36</b>	<b>100.00%</b>	<b>2,172.40</b>	<b>100.00%</b>
<b>EXPENDITURE</b>						
Cost of raw materials consumed	3,472.90	60.51%	2,045.03	63.03%	1,279.89	58.92%
Changes in inventories of finished goods , Work in progress and stock in trade	(174.18)	-3.03%	(239.04)	-7.37%	(39.74)	-1.83%
Employee benefits expense	297.92	5.19%	169.56	5.23%	172.65	7.95%
Finance costs	219.34	3.82%	190.53	5.87%	169.59	7.81%
Depreciation and Amortization expense	206.36	3.60%	104.12	3.21%	78.17	3.60%
Other expenses	1,130.08	19.69%	915.93	28.23%	496.91	22.87%
<b>Total Expenses (B)</b>	<b>5,152.42</b>	<b>89.77%</b>	<b>3,186.13</b>	<b>98.21%</b>	<b>2,157.47</b>	<b>99.31%</b>
<b>Profit before tax</b>	587.16	10.23%	58.23	1.79%	14.93	0.69%
<i>Tax expense:</i>						
(i) Current tax	38.72	0.67%	-	0.00%	-	0.00%
(ii) Deferred tax	2.27	0.04%	20.05	0.62%	1.18	0.05%
<b>Total Tax Expense</b>	<b>40.99</b>	<b>0.71%</b>	<b>20.05</b>	<b>0.62%</b>	<b>1.18</b>	<b>0.05%</b>
<b>Profit for the year</b>	<b>546.17</b>	<b>9.52%</b>	<b>38.18</b>	<b>1.18%</b>	<b>13.75</b>	<b>0.63%</b>



## ***Main Components of our Profit and Loss Account***

### **Income**

Our total income comprises of revenue from operations and other income.

### ***Revenue from Operations***

Our revenue from operation as a percentage of our total income was 93.40%, 98.85% and 99.79% for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020 respectively. We derive 95.23%, 99.56% & 99.81% of our total revenue from our group companies.

### **Other Income**

It is the income earned from Interest received on deposits with banks and others, Misc Receipt, Profit on Sale of Shares, etc.

### **Expenditure**

Our total expenditure primarily consists of cost of raw materials consumed, Changes in inventories of finished goods, Work in progress and stock in trade, employee benefit expenses, finance costs and Other Expenses.

### ***Employee Benefit Expenses***

Our employee benefits expense comprises of Salaries and wages, Director Remuneration, Contribution to Provident and ESI Funds & Staff Welfare Expenses.

### ***Finance costs***

Our Finance cost expenses comprises of Interest Expenses & other borrowing costs.

### ***Other Expenses***

Other expenses primarily include Manufacturing Expenses & Administrative & Selling Expenses, etc.

### ***Provision for Tax***

The provision for current taxation 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 2022 compared with fiscal 2021**

### ***Income***

The total income of our company for fiscal year 2022 was ₹5,739.58 lacs against ₹3,244.36 lacs total income for Fiscal year 2021. An increase of 76.91% in total income. This increase was due to increase in production which was fuelled by increase in utilisation of installed capacity in the previous year thereby increasing sales, and & also other income increased due to increase from sale of share investments. Other income forms 6.60% of the Total Income in FY22.

## ***Expenditure***

### ***Cost of raw materials consumed***

In Fiscal 2022, our Company incurred cost for raw materials consumed ₹ 3,472.90 lacs against ₹ 2,045.03 lacs expenses in fiscal 2021. An increase of 69.82%. This increase was due to increase in production, the purchases of raw materials increased by 51.20% and increase in prices of raw material contributed to this increase.

### ***Employee Benefit Expenses***

In Fiscal 2022, our Company incurred for employee benefit expenses ₹297.92lacs against ₹ 169.56 lacs expenses in fiscal 2021. An increase of 75.70%. This increase was due to addition in workforce and annual increments

### ***Finance Costs***

The finance costs for the fiscal 2022 was ₹ 219.34 lacs while it was ₹ 190.53lacs for fiscal 2021. This increase of 15.12% was due to increase in borrowed funds.

### ***Other Expenses***

In fiscal 2022, our other expenses were ₹ 1,130.08 lacs and ₹ 915.93 lacs in fiscal 2021. An increase of 23.38% due to increase in manufacturing expenses like electricity, freight, cartage, workshop expenses etc. consequent to increase in the volume of production and sales.

### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2022 of ₹ 587.16 lacs against profit before tax of ₹ 58.23 lacs in Fiscal 2021, a 908.35% increase. This was due to increase in other income from increase in sale of share investments, coupled with higher sales and moderate increase in costs leading to better economies of production resulted in this increase.

### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2022 was at ₹ 546.17 lacs against profit after tax of ₹ 38.18 lacs in fiscal 2021, a 1330.51% increase. This was due to increase in other income from increase in sale of share investments. This coupled with the growth in Profit Before Tax, led to the increase.

## **Fiscal 2021 compared with fiscal 2020**

### ***Income***

The total income of our company for fiscal year 2021 was ₹3,244.36 lacs against ₹2,172.40 lacs total income for Fiscal year 2020. An increase of 49.34% in total income. This increase was due to increase in production thereby increasing sales.

## ***Expenditure***

### ***Cost of raw materials consumed***

In Fiscal 2021, our Company incurred cost for raw materials consumed ₹2,045.03lacs against ₹ 1,279.89lacs expenses in fiscal 2020. An increase of 59.78%. This increase was due to increase in production, the purchases of raw materials increased by 61.73% and increase in prices of raw material contributed to this increase.

### ***Employee Benefit Expenses***

In Fiscal 2021, our Company incurred for employee benefit expenses ₹169.56lacs against ₹ 172.65 lacs expenses in fiscal 2020. A decrease of 1.79%. This decrease was due to the impact of COVID 19 lockdown which led to a 5.45% decrease in Salaries and wages & a decrease of 8.70% in Director Remuneration.

### ***Finance Costs***

The finance costs for the fiscal 2021 was ₹ 190.53lacs while it was ₹ 169.59 lacs for fiscal 2020. This increase of 12.35% was due to increase in borrowed funds.

### ***Other Expenses***

In fiscal 2021, our other expenses were ₹ 915.93lacs and ₹ 496.91lacs in fiscal 2020. An increase of 84.32% was due to increase in manufacturing expenses like electricity, labour etc. consequent to increase in the volume of production and sales.

### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2021 of ₹ 58.23 lacs against profit before tax of ₹ 14.93 lacs in Fiscal 2020, a 290.02% increase. This was due to higher sales and moderate increase in costs.

### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2021 was at ₹ 38.18 lacs against profit after tax of ₹ 13.75 lacs in fiscal 2020, a 177.76% increase. This was due to higher sales and moderate increase in costs..

### **Cash Flows**

(Amount ₹ in lacs)

Particulars	For the year ended March 31,		
	2022	2021	2020
Net Cash from Operating Activities	45.11	254.13	93.16
Net Cash from Investing Activities	(426.72)	(1,078.61)	(541.64)
Net Cash used in Financing Activities	396.69	829.80	449.00

### ***Cash Flows from Operating Activities***

Net cash from operating activities for fiscal 2022 was at ₹ 45.11lacs as compared to the Profit Before Tax at ₹ 587.16lacs while for fiscal 2021, net cash from operating activities was at ₹ 254.13lacs as compared to the Profit Before Tax at ₹ 58.23lacs. For fiscal 2020, the net cash from operating activities was ₹ 93.16lacs compared to Profit before Tax of ₹ 14.93lacs.

### ***Cash Flows from Investment Activities***

Net cash from investing activities for fiscal 2022 was at ₹ (426.72) lacs due to purchase of plant and equipments, while for fiscal 2021, net cash from investing activities was at ₹ (1,078.61) lacs due to purchase of plant and equipments. For fiscal 2020, the net cash from investing activities was ₹ (541.64) lacs due to purchase of plant and equipments and investment in shares.

### ***Cash Flows from Financing Activities***

Net cash from financing activities for fiscal 2022 was at ₹ 396.69 lacs due to increase in working capital loan and term loan, while for fiscal 2021, net cash from financing activities was at ₹ 829.80 lacs also due to issue of share capital and increase in term loan. For fiscal 2020, the net cash from financing activities was ₹ 449.00 lacs due to increase in working capital loan and increase in term loan.

## OTHER MATTERS

### 1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

### 2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled “*Financial Information*” and chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on Page 137 and 140 respectively of this Draft Prospectus, 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*”, beginning on Page 25 and 140 respectively of this Draft Prospectus, 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*” beginning on Page 25 of this Draft 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. Competition Conditions

Our Industry is fragmented consisting of large established players and small niche players. We compete with organized as well as unorganized sector on the basis of availability of product, product quality and product range. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. Industry is very competitive and we expect competition to continue and likely to increase in the future.

## FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of all the borrowings of our Company together with a brief description of certain significant terms of such financing arrangements.

Further, pursuant to a special resolution passed in the Extra-ordinary General Meeting of our Company held on 25.11.2021 the Board of Directors are authorised to borrow, from time to time, such sum or sums of moneys as the Board may deem fit for the purpose of the business of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), in excess to the aggregate of the paid – up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹ 10,000 lakhs.

### SECURED BORROWINGS

As on March 31, 2022, we have availed secured loan of ₹ 2507.67 lakhs, which are outstanding as of date, the details of which are as under:

Sr. No.	Nature of Facilities	Total	Amount outstanding as on March 31, 2022	
<b>1</b>	<b>Term Loan Facilities From Banks</b>			
	Working Capital Term Loan*	149	<b>1692.79</b>	
	Term Loan**&	1358.15		
	<b>Total Term Loan Facilities</b>	<b>1507.15</b>		
	Less: Other Financial liabilities towards current maturities of loan	234.89		
	<b>Amount of Loan</b>	<b>1272.26</b>		
	<b>Term Loan Facilities From Financial Institution/NBFC</b>			
	Term Loan\$#	<b>496.92</b>		
	Less: Other Financial liabilities towards current maturities of loan	76.39		
	<b>Amount of Loan</b>	<b>420.53</b>		
	<b>Total Amount of term Loan</b>	<b>1692.79</b>		
<b>2</b>	<b>Working Capital Facilities</b>			
	Cash Credit Limit^@	503.6	<b>814.88</b>	
	Current Maturities of Long term Loans	311.28		
	<b>Total working capital facilities</b>	<b>814.88</b>		
	<b>Total Credit Facilities (1+2)</b>	<b>2507.67</b>	<b>2507.67</b>	

\*Canara Bank has sanctioned the abovementioned facilities vide its sanction letter dated 1<sup>st</sup> November, 2021

\*\* HFDC Bank sanctioned Rs. 298 Lacs and Rs. 36.50 Lacs term loan facilities vide its sanctioned letters dated 18<sup>th</sup> March, 2021 and 20<sup>th</sup> August, 2021.

&Canara Bank sanctioned the term loan facilities of Rs. 1286 Lacs vide its letter dated 27<sup>th</sup> March 2018. .

\$Electronica Finance Limited sanctioned machinery term loan of Rs. 56.29 Lakhs vide sanction letter dated 15<sup>th</sup> March, 2021

# SIDBI has sanctioned term loan of Rs. 101 Lacs and 375 Lacs vide letter of intent dated 10<sup>th</sup> February, 2022 and 16<sup>th</sup> September, 2020

^ Canara Bank sanctioned cash credit limit of Rs. 200.00 Lacs vide sanction letter dated 15<sup>th</sup> June 2021.

@ HDFC Bank Sanctioned cash credit limit of Rs. 400.00 Lacs vide sanction letter dated 20<sup>th</sup> August, 2021

**Principal terms of borrowings availed by the Company:**

- a. **Interest:** The floating interest rate charged for the term loan facility sanctioned by Canara Bank is charged at 8.20% per annum. The interest rate charged by HDFC is EBLR rate plus 0.80% p.a. i.e. 7.99% per annum and Repo rate plus 3.75% p.a. i.e. 7.75% per annum. The interest rate charged for the working capital facilities sanctioned by Canara Bank is RLLR plus 0.60% i.e. 7.50% per annum.

The interest rate charged by Electronia Finance Limited for providing machinery loan is 7.90% per annum. The term loan provided by SIDBI charged interest at 6% per annum with monthly rests and interest will be payable at the rate of 0.55% below SIDBI's prime lending rate and current rate of interest being 9.40% per annum.

- b. **Tenor:**

<b>Canara Bank</b>	<i>Term loan repayable in 107 monthly installments</i>
<b>HDFC Bank</b>	<i>The Term loan of Rs.298 lacs repayable in 40 monthly instalments comprising 1st installment of Rs. 0.68 lacs and next 3 installments of Rs. 2.04 lacs each and next 36 installments of Rs. 9.37 lacs each</i>
<b>HDFC Bank</b>	<i>The term loan repayable in 60 monthly instalments</i>
<b>Canara Bank</b>	<i>The Working Capital term loan repayable in 60 monthly instalments including moratorium period of 24 months under Guaranteed Emergency Credit Line of the NCGTCL. The credit facility will rank second charge with the existing credit facilities by Canara bank in term of cash flow and hypothecation of machineries fund through term loan by Canara bank.</i>
<b>Electronia Finance Limited</b>	<i>The Machinery loan repayable in 48 monthly instalments</i>
<b>SIDBI</b>	<i>The Term loan of Rs. 101 lacs repayable in 60 monthly installments ( including moratorium of 24 months ) comprising first 35 installments of Rs. 2.81 lacs each and last 36th instalment of Rs. 2.65 Lacs .Current rate of interest is 6% p.a .This loan is covered under Emergency Credit line Guarantee Scheme ( ECLGS ) of National Credit Guarantee trustee Company Limited ( NCGTC ). This loan is fully secured by second charge by way of equitable mortagate in favour of SIDBI of all the immovable properties of borrower , both present and future situated at village -Simbli , Tehsil &amp; District - Hoshiarpur , Punjab admeasuring 37 Kanal , 13 Marle and 6 Sarsahi. by the machineries purchased out of the fund and second charge on all the immovable properties of the borrower , both present and future situated at village Simbli , Tehsil &amp; Distt. Hoshiarpur , Punjab , by hpothecation in favour or SIDBI on all the borrower's movables and by way of pledge of FDR with SIDBI of Rs. 25 Lakh.</i>
<b>SIDBI</b>	<i>The Term loan of Rs. 375 lacs repayable in 72 monthly installments comprising first 12 installments of Rs. 4 lacs each , next 12 monthly installments of Rs. 6.50 lacs each , next 24 installments of Rs. 8 lacs each next 18 installments of Rs. 2.50 lacs each and next 6 installments of Rs. 2 lacs each .Current rate of interest is 9.40% p.a</i>

	<i>with a moratorium period 12 month .This loan is fully secured by the machineries purchased out of the fund and second charge on all the immovable properties of the borrower , both present and future situated at village Simbli , Tehsil &amp; Distt. Hoshiarpur , Punjab.Moreover Pritika Auto Industries Limited , holding company had given corporate guarantee amounting to Rs 375 Lakhs to Canara Bank .</i>
<b>Canara Bank</b>	<i>Cash Credit facility received shall be charged at interest rate of 7.75%</i>
<b>HDFC Bank</b>	<i>Cash Credit facility received shall be charged at interest rate of 7.50%</i>

**c. Security Details of the above mentioned borrowings:**

Following securities has been executed against the Loan

<b>Canara Bank</b>	The term loan of Rs. 1286 Lacs is secured by first charge of EMT of Factory land and building and hypothecation of Existing Plant and machineries except the machinery /equipment funded by other banks/NBFCs. This loan is also personally guaranteed by directors Namely Mr. Raminder Singh Nibber & Mr. Harpreet Singh Nibber. Moreover Pritika Auto Industries Limited , holding company had given corporate guarantee amounting to Rs 19.84 Cr to Canara Bank
<b>HDFC Bank</b>	The Term loan of Rs.36.50 lacs is secured against machinery purchased out of this fund
<b>Canara Bank</b>	The Working Capital Term loan of Rs. 149 lacs repayable in 60 monthly installments including moratorium period of 24 months under Guaranteed Emergency Credit Line of the NCGTCL . Amount of monthly instalment is of Rs.0.41 Lacs each . The credit facility will rank second charge with the existing credit facilities by Canara bank in term of cash flow and hypothecation of machineries fund through term loan by Canara bank. Current rate of interest is 7.50% p.a .
<b>Electronia Finance Limited</b>	The Machinery Loan of Rs 56.29 Lakhs is fully secured by the machineries purchased out of the fund
<b>SIDBI</b>	The Term loan of Rs. 101 lacs is fully secured by second charge by way of equitable mortgage in favour of SIDBI of all the immovable properties of borrower , both present and future situated at village -Simbli , Tehsil & District - Hoshiarpur , Punjab admeasuring 37 Kanal , 13 Marle and 6 Sarsahi. by the machineries purchased out of the fund and second charge on all the immovable properties of the borrower , both present and future situated at village Simbli , Tehsil & Distt. Hoshiarpur , Punjab , by hpothecation in favour or SIDBI on all the borrower's movables and by way of pledge of FDR with SIDBI of Rs. 25 Lakh.
<b>SIDBI</b>	The Term loan of Rs. 375 lacs is secured by the machineries purchased out of the fund and second

	charge on all the immovable properties of the borrower , both present and future situated at village Simbli, Tehsil & Distt. Hoshiarpur, Punjab. Moreover Pritika Auto Industries Limited , holding company had given corporate guarantee amounting to Rs 375 Lakhs to Canara Bank .
<b>Canara Bank</b>	Cash Credit Limit of Rs. 200.00 lacs issued by Canara Bank is secured by Hypothecation of all kinds of Raw Material / Work in progress / Finished goods and receivable of the Company ( present and future)
<b>HDFC Bank</b>	Cash Credit of Rs. 400.00 lacs issued by HDFC bank is secured by first pari passu charge on current assets , P& M , other Fixed assets and properties mentioned in the property collateral template . Further secured by second pari passu charge on current asset of GECL . Limit is secured by personal guarantee of directors and Corporate guarantee by Pritika Auto Industries Limited .

**d. Restrictive Covenants under the Secured Loans:**

Our Company shall not without the prior consent of the bank:

- sell or transfer/ alienate/ encumber or create third party rights in favour of anyone else in respect of and/ or recover and/ or realise any of the hypothecated properties upon being prohibited in writing by the Bank from doing so;
- keep the said hypothecated properties in marketable state and good and substantial repair and condition and in thorough working order and will not make any alterations therein;
- directly or indirectly assign or in any manner transfer whether in whole or part any rights and/or obligations under the deed;
- take any further loans during the pendency of the loan;
- not divert the funds availed from the Bank, during the pendency of the loan;
- not utilise the facility only for the purpose for which it was extended by the Bank; including for speculative purposes like investing in stock markets, non-business –related commodity trading, commercial real estate activity or any other purpose than the purpose for which the loan has been sanctioned;
- avail loan facilities against the assets hypothecated;

Our Company agrees that

- for a certain loan, all terms and conditions of existing loan shall apply mutatis mutandis to the loan;
- for a certain loan, authorized representatives may have inspections of hypothecated assets periodically; shall affix a plaque or placard on all assets hypothecated;
- for a certain loan, to ensure comprehensive insurance cover against all risks on the security offered, excluding Stocks of Stones & Book Debts, for the facilities.
- for a certain loan, First Pari Passu Charge to be created on Current Assets; First Pari Passu charge on P&M and FA; Second Pari Passu charge on current assets of GECL; PG of All directors; CG of Parent firm M/s Pritika Auto Industries Ltd; First Pari Passu Charge on Properties mentioned in the Property Collateral Template;
- for a certain loan, first charge by way of hypothecation on all borrowers's movables including plant & machinery, miscellaneous fixed assets, equipment, machinery spares, tools & accessories and all other assets which have been acquired/to be acquired under the project/scheme; second charge by way of equitable mortgage of all immovable properties of the borrower, both present & future;

**Events of default:**

The following events shall constitute as events of defaults:



- For certain loans, non-payment of instalment of principal, interest and all other monies (except penal interest) on their respective due dates, shall carry penal interest at the rate of 2% per annum for the period of default. However, no penal interest shall be charged, due to non-compliance of the already accepted covenants on the existing credit facility, on additional loans during the sanction period.
- For certain loans, certain penalties will be levied on default action such as Excess drawings, Pledge (of Securities) formalities not completed, First/Second charge not created, Personal guarantees not furnished, certain documents related to insurance, stock, financial, cash flow or renewal documents;

#### **UNSECURED BORROWINGS**

As on March 31, 2022, we have no amount of unsecured loans outstanding.

## CAPITALISATION STATEMENT

(Rs. In Lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Current Borrowings (A)	814.88	-
Non-Current Borrowings (B)	1,692.79	-
<b>Total Borrowings (C = A+B)</b>	<b>2,507.67</b>	<b>-</b>
<b>Shareholders' funds</b>		
Equity Share Capital (C)	763.45	-
Other Equity (D)	889.17	-
<b>Total Equity (E = C+D)</b>	<b>1,652.62</b>	<b>-</b>
<b>Non-Current Borrowings / Total Equity (F = B / E)</b>	1.02	-
<b>Total Borrowings / Total Equity (G = C / E)</b>	1.52	-

## SECTION VII LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by regulatory or statutory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five financial years, including outstanding action, (IV) claims related to direct and indirect taxes, and (V) other pending litigation which are determined to be material as per the policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoters and Directors, (the "**Relevant Parties**").

For the purpose of (V) above, our Board has considered and adopted a policy of materiality for identification of material litigation in terms of the SEBI (ICDR) Regulations, 2018 as amended for disclosure of all pending litigation involving the Issuer, its directors and promoters, other than criminal proceedings, statutory or regulatory actions and taxation matters where the aggregate amount involved in such individual litigation exceeds 10 % of profit after tax of the Company, as per the last audited standalone financial statements of the Company or such litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company.

The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI(ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 10 % of the Company's trade payables for the last audited standalone financial statements.

#### **PART 1: CONTINGENT LIABILITIES OF OUR COMPANY**

Particulars	(Amount in Lacs)		
	As At March 31, 2022	As At March 31, 2021	As At March 31, 2020
Letter of Credit	90.50	-	-

#### **PART 2: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

###### **1. Litigation Involving Criminal Laws**

NIL

###### **2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

###### **3. Litigation involving Tax Liabilities**

NIL

###### **4. Other Pending Litigation**

##### **B. CASES FILED BY OUR COMPANY**

###### **1. Litigation Involving Criminal Laws**

1. M/s Pritika Engineering Components Private Limited (now Pritika Engineering Components Limited), ("Complainant") filed a complaint under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881 against Mr. Kushal Makkar ("Accused") in the Court of Hon'ble Chief Judicial Magistrate at Chandigarh alleging dishonour of cheque amounting to Rs. 6,00,000 returned back unpaid for the reason

“Funds Insufficient”. Thereafter, a legal notice dated 12<sup>th</sup> October, 2021 under Section 138 of the Negotiable Instruments Act, 1881 was issued to the accused demanding accused to clear the outstanding amount of dishonoured Cheque. However, the accused did not made the payment of the same nor did he comply with the requisition of the said notice. The complainant prayed the Hon’ble Court to take cognizance of the offence and necessary compensation as per the law. The Hon’ble Court adjourned the case to 18<sup>th</sup> November, 2022 for issue of bailable warrant.

2. M/s Pritika Engineering Components Private Limited, (“Complainant”) filed a complaint under Section 138 read with Section 142 of the Negotiable Instruments Act, 1881 against Mr. Santosh Kumar Bharti (“Accused”) in the Court of Hon’ble Chief Judicial Magistrate at Hoshiarpur alleging dishonour of cheque of Rs. 17,74,152 returned back unpaid for the reason “Funds Insufficient”. The case is fixed for complainant’s evidence on 18<sup>th</sup> October, 2022 in the court of Sh. Simrandeep Singh Sohi, Learned JMJC Hoshiarpur.

**2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

NIL

**4. Other Pending Litigation**

NIL

**PART 3: LITIGATION RELATING TO DIRECTORS AND PROMOTERS OF OUR COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS**

**1. Litigation Involving Criminal Laws**

The Punjab pollution Control Board, Patiala, filed complaint dated 5<sup>th</sup> February, 2019 under section 37,39 read with Section 40 of the Air (Prevention and Control of Pollution) Act, 1981 as amended in 1987 against Nibber Castings Private Limited (now merged with Pritika Auto Industries Ltd.) and Mr. K.D. Sharma, manager of the factory in the court of Sub-Judicial Magistrate, Dera Bassi, Mohali, Punjab stating that the Unit situated in Village Saidomajra, PO Mubarikpur, Dera Bassi, District S.A.S Nagar is operating without consent to operate under Water Act, 1974 and Hazardous Waste Authorisation.

The reply in both the cases have been filed and the same is pending for disposal. The next date of hearing has been fixed for 12<sup>th</sup> December, 2022.

**2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**i. Direct Tax Liabilities**

NIL

**ii. Indirect Tax Liabilities**

NIL

#### **4. Other Pending Litigation**

Mr. Santosh Kumar Bharti (“Complainant”) filed a Civil Suit for recovery of Rs. 80,00,000 on 22<sup>nd</sup> February, 2021 against 1. Munish Arora, Assistant Manager & 2. Mr. Harpreet Singh Nibber, Director, Pritika Engineering Components Pvt. Ltd. (“Accused”) in the Court of Hon’ble Chief Judicial Magistrate at Hoshiarpur. Mr. Santosh Kumar Bharti alleged that Munish Arora, Assistant Manager & Mr. Harpreet Singh Nibber, Director, Pritika Engineering Components Pvt. Ltd have violated the terms and conditions of the agreement executed between them dated 28<sup>th</sup> March, 2019. The accusations are false and we have already file rejection plaint of the case and it is pending in the Court of Ms. Meenakshi Mahajan, Learned Civil Judge Hoshiarpur on 1<sup>st</sup> October, 2022.

### **B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS**

#### **1. Litigation Involving Criminal Laws**

NIL

#### **2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3. Litigation involving Tax Liabilities**

##### **4. i. Direct Tax Liabilities**

NIL

#### **5. Other Pending Litigation**

##### **Pritika Auto Industries Limited**

##### **AY 2017-18**

Pritika Autocast Limited(now amalgamated into Pritika Auto Industries Limited) has filed an appeal with the Income Tax Department in Form No. 35 on 04.01.2020 as the Company alleges that the assessing officer has made an error in making an addition of Rs. 23,73,896 to the total income of the company disallowing payment of PF& ESI and gratuity payable. The disputed amount of demand is Rs. 14,37,160. The department has issued notice on 13.01.2021 and the reply was submitted on 23.01.2021. The matter is pending with the authorities.

##### **AY-2018-19**

Nibber Castings Private Limited (now amalgamated into Pritika Auto Industries Limited) has filed a rectification under section 154 on 22.05.2021 with Income Tax Department . Company alleges that the Assessing officer has made an error in making an addition of Rs. 28,11,011 disallowing the payment of PF and ESI . The disputed demand is of Rs. 9,82,980 . The matter is pending with the authorities.

##### **AY 2018-19**

Pritika Autocast Limited (now amalgamated into Pritika Auto Industries Limited) has filed an appeal with the Income Tax Department in Form No. 35 on 16.05.2021 as the Company alleges that the assessing officer has made an error in making an addition of Rs. 24,48,915 disallowing payment of PF, ESI and also wrongly increasing the book profit under Section 115JB of the Income Tax Act 1961 by Rs. 41,14,029. The disputed amount of demand is Rs. 12,29,740. The matter is pending with the authorities.

## **AY 2019-2020**

Pritika Auto Industries Limited (PAIL) has filed an appeal with the Income Tax Department in Form No. 35 on 26.08.2020 as the Company alleges that the assessing officer has made an error in processing the return wherein TDS and TCS credit amounting to Rs. 15,77,854 after the amalgamation of Pritika Autocast Limited and Nibber Castings Private Limited with Pritika Auto Industries Limited have not been given to the Company. The disputed amount in this case is Rs. 17,24,664. The department has issued notice on 05.02.2021 and the reply was submitted on 20.02.2021. PAIL has filed an appeal in this matter and it is pending with the authorities.

## **AY 2020- 2021**

Pritika Auto Industries Limited (PAIL) has filed an appeal with the Income Tax Department in Form No. 35 on 09.02.2022 as the Company alleges that the assessing officer has made an error in processing the return wherein additions of Rs. 16,88,886 have been made to the total income disallowing payment of PF, leave encashment etc. under Section 43 B of the Income Tax Act, 1961. The disputed amount of demand is Rs. 6,47,680. The matter is still pending with the authority.

## **AY 2021-22**

Pritika Auto Industries Limited (PAIL) has filed a rectification under Section 154 of the Income Tax Act, 1961 with the Income Tax Department on 07.09.2022 as the company alleges that the Assessing Officer has made an error in processing the return wherein interest under Section 234A, 234B and 234C has been wrongly calculated in excess. The disputed amount is Rs. 3.38,060. The matter is pending with the authority.

### **ii. Indirect Tax Liabilities**

NIL

## **6. Other Pending Litigation**

A writ petition has been filed on 18.04.2022 before the Hon'ble Himachal Pradesh High Court, Shimla by M/s Pritika Auto Industries Limited (hereinafter referred to as "PAIL") against Union of India through its Secretary Ministry of Commerce and Industry, Department of Promotion and Internal Trade and Commissioner, Central Goods and Service Tax (CGST), Dharamshala, Himachal Pradesh, Assistant Commissioner, CGST, Dharamshala, Himachal Pradesh (hereinafter collectively referred as "Respondents"). PAIL has filed this writ as there were various policies and schemes introduced by the Central and State Government to encourage the entrepreneurs and to generate employment. M/s Pritika Autocast Limited, a Company amalgamated with PAIL, after establishing unit in the State of Himachal Pradesh availed benefit of Budgetary Support Scheme. The intention of the scheme makers is to provide benefit to the units which earlier availed benefit of exemption Notifications. However, Pritika Autocast Limited is denied refund on the ground of change of ownership is not only illegal but also contrary to the intent and purport of the budgetary support scheme. PAIL has prayed to the Hon'ble Himachal Pradesh High Court, Shimla to issue writ of certiorari quashing impugned order and consequential orders along with issuance of writ of Mandamus directing the Respondent to sanction the refund amounting to Rs. 1,53,55,000 along with interest. The writ petition was heard on 10.09.2022. The case is adjourned to the next date. Order is awaited for next date of hearing. The matter is still pending in the court of law.

## **PART 4: LITIGATION RELATING TO SUBSIDIARIES AND GROUP COMPANIES**

### **A. LITIGATION AGAINST OUR SUBSIDIARIES AND GROUP COMPANIES**

#### **1. Litigation Involving Criminal Laws**

NIL

**8. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

**2. Litigation involving Tax Liabilities**

**i. Direct Tax Liabilities**

NIL

**ii. Indirect Tax Liabilities**

NIL

**3. Other Pending Litigation**

**B. LITIGATION FILED BY OUR SUBSIDIARIES AND GROUP COMPANIES**

**1. Litigation Involving Criminal Laws**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Litigation involving Tax Liabilities**

**i. Direct Tax Liabilities**

**Pritika Industries Limited**

**AY 2017-18**

Pritika Industries Limited (PIL) has filed an appeal with the Income Tax Department in Form No. 35 on 28.12.2019 against addition made in order under Section 143(3) of the Income Tax Act, 1961 being disallowing expenses under Section 14A of Rs. 5,54,574 and making an error in calculation sheet enhancing taxable income by Rs. 45,50,460. The disputed demand is NIL. The department has issued notice on 25.02.2021 and the reply was submitted on 12.03.2021. The matter is still pending with the authority.

**AY 2018-19**

(a) Pritika Industries Limited (PIL) has filed an appeal with the Income Tax Department in Form No. 35 on 05.10.2021 against order under Section 143(1) of the Income Tax Act, 1961 alleging that the Assessing Officer has made an error in making addition of Rs. 29,04,716 disallowing PF and ESI expenses under Section 43B. The Assessing Officer further committed a mistake in making addition of Rs. 9,97,730 in calculating book profit of the company. The disputed demand is Rs. 2,55,290. The department has issued notice on 25.04.2022 and the reply was submitted on 03.05.2022. The matter is still pending with the authority.

(b) Pritika Industries Limited (PIL) has filed an appeal with the Income Tax Department in Form No. 35 on 29.05.2021 against order under Section 143(3) of the Income Tax Act, 1961 alleging that the Assessing Officer has made an error in confirming the addition made in order Section 143(1) of the Income Tax Act, 1961 as per point (a) above and further making an addition of Rs. 18,35,191 disallowing expenses under Section 14A of the Income Tax Act, 1961. The total disputed demand including stated in point (a) above is Rs. 5,53,990. The department issued notice on 23.08.21 and the reply was submitted on 10.09.2021 and

04.10.2021. The department issued notice on 26.04.2022 and the reply was submitted on 29.04.2022. The matter is still pending with the authority.

**PART 5: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

As of 31<sup>st</sup> March 2022, our Company owes the following amounts to Micro, Small and Medium enterprises and other creditors:

*Amount (In Rs.)*

<b>Particulars</b>	<b>No. of Creditors</b>	<b>Amount Involved</b>
Micro, Small and Medium Enterprises	0	0
Other creditors (Including material creditors)	23	7,08,75,393
Material dues to creditors	3	2,97,70,032

Complete details about outstanding over dues to material creditors along with name and the amount involved for each such material creditor as on 31<sup>st</sup> March, 2022 are available on the website of the Company at [www.pritikaengineering.com](http://www.pritikaengineering.com)

**PART 5: MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page140 of this Draft Prospectus there have been no material developments that have occurred after the Last Balance Sheet Date.



## GOVERNMENT AND OTHER STATUOTORY APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and various other government agencies/ regulatory authorities/ certification bodies required to undertake this issue and to continue our present business activities.

In view of the approvals listed below, we can undertake the Issue and our current 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 below approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus. For details in connection with the regulatory and legal framework within which we operate, see the section titled “*Key Industry Regulations and Policies*” at page 103 of this Draft Prospectus.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses/ registrations/ approvals/ consents/ permissions from the Government and various other Government agencies required for its present business.

### **I. APPROVALS FOR THE ISSUE**

#### **A. Corporate Approvals**

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 29<sup>th</sup>, 2022 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 July 20<sup>th</sup>, 2022 authorized the Issue.

#### **B. Approval from the Stock Exchange**

In-principle approval dated [•] from National Stock exchange of India Limited for using the name of the Exchange in its offer documents for listing of the Equity Shares issued by our Company pursuant to the Issue.

#### **C. Agreements with NSDL and CDSL**

1. The company has entered into an agreement dated July 8<sup>th</sup>, 2022 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Satellite Corporate Services Private Limited for the dematerialization of its shares.
2. Similarly, the Company has also entered into an agreement dated July 8<sup>th</sup>, 2022 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Satellite Corporate Services Private Limited for the dematerialization of its shares.
3. The International Securities Identification Number (ISIN) of our Company is INE0MJQ01012

**II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY**

1. The Company was originally incorporated as “PRITIKA ENGINEERING COMPONENTS PRIVATE LIMITED” on 20<sup>th</sup>February, 2018 vide Registration no.047462 and Corporate Identification Number (CIN) U28999PB2018PTC047462, under the provisions of the Companies Act, 2013 with the Registrar of Companies, Chandigarh.
2. Subsequently, Company was converted into a Public Limited Company on 21<sup>st</sup> April, 2022and CIN was changed to U28999PB2018PLC047462 by the Registrar of Companies, Chandigarh in the name of “PRITIKA ENGINEERING COMPONENTS LIMITED.
3. The Corporate Identification Number (CIN) of our Company is U28999PB2018PLC047462.

**III. GENERAL APPROVALS**

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

**A. BUSINESS AND INDUSTRY SPECIFIC APPROVALS:**

Sr. No.	Description	Applicable laws	Issued By	Registration Number	Date of Certificate	Date of Expiry
1.	Authorization under Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Punjab Pollution control Board	HWM/Fresh/HSP/2022/19088149	07/07/2022	06/07/2027
2.	Udyam Certificate	Ministry of Micro, Small and Medium Enterprises	Government of India	PB20B0004689	05/03/2018	Valid until cancellation
3.	IATF Certificate	---	International Automotive Task Force	011111434529/04 Certificate No. 0391702	01/04/2021	26/03/2024
4.	ZED Bronze Certificate	---	Ministry of Micro, Small & Medium Enterprises	UDYAM-PB-20-0002284	16/07/2022	15/07/2025

**B. EMPLOYEE RELATED LAWS:**

Sr. No.	Description	Applicable laws	Issued By	Registration Number	Date of Certificate	Date of Expiry
1.	Certificate of Registration	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Employees' Provident fund organization	LDJAL1738843000	15/06/2018	Valid until cancellation
2.	Certificate of Registration	Employees State Insurance	Employees' State Insurance Corporation	29000644550000606	03/10/2019	Valid until cancellation
3.	Certificate of Registration	Factories Act, 1948	Directorate of Factories, Punjab	HPR0FL5415	07/01/2021	31/12/2022
4.	Certificate of Registration	Inter State Migrant Workmen Act, 1979	Government of Punjab	HPR00IP3118	29/06/2022	Valid until cancellation
5.	Certificate of Registration	Contract Labour(R & A) Act, 1970	Government of Punjab	HPR00PE4737	27/08/2018	Valid until cancellation

**C. TAXATION LAWS:**

Sr. No.	Description	Applicable laws	Authority	Registration Number	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	AAJCP6858M	20/02/2018	Valid until cancellation
2.	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	Income Tax Department	PTLP16593D	28/05/2022	Valid until cancellation
3.	Goods & Service Tax Registration Certificate	Central Goods and Service Tax Act 2017	Government of India	03AAJCP6858M1ZT	11/04/2018	Valid until cancellation
4.	Professional Tax certificate	Professional Tax Laws	State Government	E16AAJCP6858M	03/07/2019	Valid until cancellation
5.	Certificate of Importer – Exporter Code (IEC)	Customs Act, 1962	Ministry of Commerce and Industry – Office of Jt. Director General of Foreign Trade	AAJCP6858M	18/11/2020	Valid until cancellation

#### **D. INTELLECTUAL PROPERTY**

The details of the Domain name in the name of our company:-

<b>Sr. No</b>	<b>Description</b>	<b>Sponsoring Registrar and IANA ID/ Registration Number</b>	<b>Creation Date</b>	<b>Expiry Date</b>
1.	pratikaengineering.com	IANA ID 303	26/07/2022	26/07/2023

#### **E. ENVIRONMENTAL LAWS**

<b>Sr. No.</b>	<b>Description</b>	<b>Applicable laws</b>	<b>Authority</b>	<b>Registration Number</b>	<b>Date of Certificate</b>	<b>Date of Expiry</b>
1.	Authorization under Water (Prevention & Control of Pollution) Act, 1974	Water (Prevention & Control of Pollution) Act, 1974	Punjab Pollution Control Board	CTOW/Varied/HSP/2019/9341677	01/03/2019	31/03/2024
2.	Authorization under Air (Prevention & Control of Pollution) Act, 1981	Air (Prevention and Control of Pollution) Act, 1981	Punjab Pollution Control Board	CTOA/Renewal/HSP/2021/15518863	15/04/2021	30/09/2025
3.	Certificate for diversion of forest land	---	Department of Forest, Northern Regional Office	9PBB806/2011-CHA/7769	13/09/2012	Valid till cancellation
4.	Fire Safety Certificate	---	Punjab Fire Services	910-60049-Fire/43103	22/09/2022	21/09/2023

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated 29<sup>th</sup> June, 2022 and by the shareholders pursuant to a special resolution in an EGM held on 20<sup>th</sup> July, 2022 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the Emerge Platform of NSE for using its name in the Draft Prospectus/Prospectus pursuant to letter dated [•]. NSE is the Designated Stock Exchange.

### Prohibition by the SEBI or other Governmental Authorities

Our Company, our Promoters, our Promoter Group, our Directors, Person in control of our Company, have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and no outstanding action against them initiated by the Board in the past five years, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

### Association with Securities Market

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

### Prohibition by RBI

Neither our Company, our subsidiary, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter “*Outstanding Litigations and Material Development*” beginning on page 156 of the Draft Prospectus.

### Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, its promoters and promoter group is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“**SBO Rules**”), to the extent applicable, as on the date of the Draft Prospectus.

### Eligibility for the Issue

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

- Neither our company, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board.
- Neither our promoters, nor any directors of our company is a promoter or director of any other company which is debarred from accessing the capital market by the Board.
- Neither our Promoters nor any of our directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters nor our directors, are Wilful Defaulters or a fraudulent borrower.

- Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value paid-up capital will be more than 10 crores but not exceed 25 crores, and can issue Equity Shares to the public and propose to list the same on the EMERGE Platform of National Stock Exchange of India Limited.

We further confirm that:

- In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size.
- In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded within 4 (Four) days of such intimation. If such money is not repaid within 4 (Four) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of 4 (Four) days, be liable to repay such application money, with interest at the rate 15% per annum. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.
- In terms of Regulation 246 (1) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus will be filed with the SEBI through the Lead Manager immediately upon filing of the offer document with the Registrar of Companies.

However, as per Regulation 246 (2) of the SEBI (ICDR) Regulations, 2018, The SEBI shall not issue any observation on the offer document.

Further, in terms of Regulation 246 (3) of the SEBI (ICDR) Regulations, 2018 the lead manager will also submit a due diligence certificate as per format prescribed by SEBI along with the prospectus to SEBI.

Further, in terms of Regulation 246 (4) of the SEBI (ICDR) Regulations, 2018 the prospectus will be displayed from the date of filling in terms of sub-regulation (1) on the website of the SEBI, The Lead Manager and the EMERGE Platform of NSE. Moreover, in terms of Regulation 246 (5) of the SEBI (ICDR) Regulations, 2018, a copy of prospectus shall also be furnished to the SEBI in a soft copy.

- In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated [•] with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the EMERGE Platform of NSE.

**In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for EMERGE Platform of NSE, which are as under**

- ***Incorporation:.*** *The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.*

Our Company is incorporated under the Companies Act, 2013 in India.

- **Track Record**

The Company Should have a track record of at least 3 years

Our Company was incorporated on 20<sup>th</sup> February, 2018 under the Provisions of the Companies Act, 2013 vide certificate of incorporation issued by Registrar of Companies, Central Registration Center. Therefore, we are in compliance with criteria of having track record of 3 years.

- **Post Issue Paid up Capital:** The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores.

The post issue paid up capital (Face Value) of the company will be ₹ [●] lakhs. So, the company has fulfilled the criteria of post issue paid up capital shall not be more than ₹ [●] lakhs.

- **Net-worth: Positive Net-worth.**

As per restated financial statement, the net-worth of the company is ₹ 1652.62 lakhs as on March 31, 2022.

- **Operating Profit (earnings before interest, depreciation and tax) from operations for atleast 2 (two) out of 3 (three) financial years:**

Our company is having operating profit, details are mentioned as below

Particulars	(Amount in Lakhs)		
	March 31, 2022	March 31, 2021	March 31, 2020
Total Income	5,739.58	3,244.36	2,172.40
Operating Profit (earnings before interest, depreciation and tax)	1,012.86	352.88	262.69

- Our Company has not been referred to erstwhile Board for Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies
- Our Company has not received any winding up petition admitted by a NCLT/Court.
- No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.
- The Company has a website: [www.pritikaengineering.com](http://www.pritikaengineering.com)

#### Other Disclosures:

We further confirm that:

- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting companies of the Issuer Company.
- There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years.
- There are no litigations record against the applicant, promoters/promoting company(ies), group companies, companies & promoted by the promoters/promoting company(ies). except disclosed on page no.156 in “outstanding litigation and material developments”.
- There are no criminal cases/investigation/offences filed against the director of the company.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### 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 DRAFT PROSPECTUS. THE LEAD MERCHANT BANKER, GYR CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE**

**DISCLOSURES MADE IN THE DRAFT PROSPECTUS 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 IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MERCHANT BANKER IS 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, GYR CAPITAL ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [•] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF 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 the Prospectus with the Registrar of Companies, Chandigarh in terms of sections 26, 32 and 33 of the Companies Act,*

#### **Disclaimer from our Company and the Lead Manager**

Our Company 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 their own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (GYR Capital Advisors Private Limited) and our Company on [•] and the Underwriting Agreement dated [•] entered into between the Underwriters and our Company and the Market Making Agreement dated [•] entered into among the Market Maker and our Company.

All information shall be made available by our Company 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 collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

#### **Disclaimer in Respect of Jurisdiction**

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, VCFs, FVCIs, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI



permission), NBFCSIs or trusts under registered applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI and permitted non-residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Mohali, Punjab, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.**

**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.**

Applicants are advised to ensure that any Applications from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Applicant where required must agree in the Allotment Advice that such Applicants will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

#### **Disclaimer Clause of the Emerge Platform of NSE**

As required, a copy of this Draft Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to the filing with the RoC.

#### **Filing**

This Draft Prospectus is being filed with National Stock Exchange of India Limited, at Exchange Plaza, Plot no. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai – 400051.

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, Corporate Bhavan, Plot No.4B, Sector 27B, Madya Marg, Chandigarh-160019

## **Listing**

Application will be made to the NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of NSE has given its in-principle approval for using its name in our Offer documents vide its letter [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Prospectus. If such money is not repaid within Four days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of fourth days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within six Working Days from the Issue Closing Date

## **Consents**

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue\* and Market Maker to the Issue\* to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\* The consent will be taken while registering the Prospectus with Roc.*

Our Company has received written consent dated August 17, 2022 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Prospectus as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) examination report dated July 18, 2022 on our restated consolidated financial information; and (ii) its report dated July 30, 2022 on the statement of special tax benefits in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

## **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or abroad during the last five (5) years preceding the date of this Draft Prospectus except as disclosed in this Draft Prospectus.

## **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled “*Capital Structure*” beginning on page 51 of this Draft Prospectus.

## **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

**Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

**Performance vis-à-vis objects – Public/rights issue of our Company**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 51 of this Draft Prospectus our Company has not undertaken any previous public or rights issue in last five years.

**Performance vis-a-vis objects - Last Issue of Promoter, Group, Associate or Subsidiary Companies**

Our Promoter, Promoter Group, Group Company or any subsidiary company has not undertaken any previous public or right issue during the period of last five years.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

**Outstanding Convertible Instruments**

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

**Option to Subscribe**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

**Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

**Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

## **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on July 27<sup>th</sup>, 2022. For further details on the Stakeholders Relationship Committee, please refer to section titled “*Our Management*” beginning on page 114 of this Draft Prospectus.

**Our Company has appointed Mr. Chander Bhan Gupta, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:**

**Mr. Chander Bhan Gupta**  
**Company Secretary & Compliance Officer**  
Plot No.C-94, Phase-VII, Industrial Focal Point,  
S.A.S Nagar, Mohali, Punjab- 160055  
**Telephone:** +91 9878723399  
**E-mail:** compliance.pecl@pritikagroup.com

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system “**SCORES**”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

## **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.

## **Exemption from complying with any provisions of securities laws, if any, granted by SEBI**

Our Company has not applied or received any exemptions from SEBI from complying with any provisions of securities laws.

## SECTION VIII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, 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 Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

For details in relation to Issue expenses, see “*Objects of the Issue*” and “*Other Regulatory and Statutory Disclosures*” on pages 61 and 166, respectively.

#### **Authority for the Issue**

The present Public Issue of upto 35,00,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on June 29<sup>th</sup>, 2022 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on July 20<sup>th</sup>, 2022 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “*Description of Equity shares and terms of the Articles of Association*” on page 235 of the Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “*Dividend Policy*” on page 136 of the Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹10.00 each are being offered in terms of the Draft Prospectus at the price of [●] per equity Share (including premium of [●] per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “*Basis for Issue Price*” on page 69 of the 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.

#### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

## **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “*Description of Equity Shares and terms of the Articles of Association*” beginning on page 235 of the 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 08<sup>th</sup> July, 2022 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated 08<sup>th</sup> July, 2022 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

## **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the Emerge Platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

## **Minimum Number of Allottee**

The minimum number of allottee in the Issue shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

## **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant or in case of death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## Withdrawal of the Issue

Our Company 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 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 Prospectus.

## Period of Operation of Subscription List of Public Issue

<b>ISSUE OPENS ON</b>	[•]
<b>ISSUE CLOSES ON</b>	[•]

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Closing Date	[•]
Finalization of Basis of Allotment with NSE	[•]
Initiation of refunds /unblocking of funds from ASBA Account	[•]

Credit of Equity Shares to demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on NSE	

### **Minimum Subscription**

*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 offer through the 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 Rs. 1,00,000 (Rupees One Lakh) per application.*

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 Offer Document including devolvement of Underwriters, our Company shall forthwith refund the entire subscription amount received within four 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 issue.

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 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**

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or 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.



## **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled “*Capital Structure*” beginning on page 51 of the Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading “*Description of Equity Shares and terms of the Articles of Association*” on page 235 of the 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 and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company 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.*

## **Migration to Main Board**

In accordance with the NSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations. Our Company may migrate to the Main Board of NSE from the SME Exchange on a later date subject to the following:

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE 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.
- If the Paid-Up Capital of our Company is more than ₹10.00 Crore and up to ₹ 25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **Market Making**

The shares offered through this Issue are proposed to be listed on the SME platform of NSE , wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE . For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "*General Information - Details of the Market Making Arrangements for this Issue*" on page 43 of the Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

<b>Issue size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)</b>	<b>Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)</b>
Upto ₹20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mohali, Punjab.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

**Price Information of past issues handled by the Lead Manager**

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.	Naapbooks Limited	3.99	74	15.09.2021	77.00	-16.22%	4.40%	-29.73%	-1.59%	-18.78%	-3.80%
2.	Ascensive Educare Limited	2.25	26	12.01.2022	27.60	-1.31%	-1.50%	-30.00%	-4.20%	2.93%	-11.88%
3.	Achyut Healthcare Limited	3.60	20	30.03.2022	21.15	0.00%	-2.77%	-0.94%	-9.38%	-	-
4.	Dhyaani Tile and Marblez Limited	2.45	51	12.04.2022	52.25	19.61%	-9.64%	69.00%	-7.13%	-	-
5.	Veekayem Fashion and Apparels Limited	4.43	28	22.08.2022	49.00	1.01%	-1.21%				
6.	JFL Life Sciences Limited	18.16	61	08.09.2022	70.00						
7.	Sabar Flex India	4.47	11	21.09.2022	21.00						

\* Companies have been listed on March 30, 2022, April 12, 2022, August 22, 2022, September 08, 2022 and September 21, 2022 hence not applicable

**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%
2021-2022	3	9.84	-	-	2	-	-	-	-	-	-	-	-	-
2022-23	3	25.04	-	-	-	1	-	2	-	-	-	-	-	-

\* Companies have been listed on, March 30, 2022, April 12, 2022, August 22, 2022 and September 08, 2022 hence not applicable hence not applicable

**Notes:**

1. *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.*
2. *Source: [www.bseindia.com](http://www.bseindia.com)*

**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 refer the website of Lead Manager at [www.gyrcapitaladvisors.com](http://www.gyrcapitaladvisors.com)

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than and equal to ₹10 Crores and upto Rs.25 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of NSE Limited i.e NSE EMERGE). For further details regarding the salient features and terms of such an issue please refer chapter titled “Terms of the Issue” and “Issue Procedure” on page 174 and 185 of the Draft Prospectus.

The Issue comprise of a Public Issue of up to 35,00,000 Equity Shares of Face Value of ₹10/- each fully paid (The “**Equity Shares**”) for cash at a price of [•] per Equity Shares (*including a premium of [•] per equity share*) aggregating to [•] lakhs (“*the issue*”) by our Company of which [•] Equity Shares of ₹10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of [•] Equity Shares of ₹10/- each is hereinafter referred to as the Net Issue. The Issue and the Net Issue will constitute [•] and [•] respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	[•] Equity Shares	[•] Equity Shares
Percentage of Issue Size available for allocation	[•] of the Issue Size	[•] of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of [•] Equity Shares and further allotment in multiples of [•] Equity Shares each. For further details please refer to “Issue Procedure” on page 185 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<p><b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of [•] Equity Shares at an Issue price of [•] each, such that the Application Value exceeds ₹ 2,00,000/-.</p> <p><b><u>For Retail Individuals Investors:</u></b> [•] Equity Shares at an Issue price of [•] Each</p>	[•] Equity Shares
Maximum Application Size	<p><b><u>For Other than Retail Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p>	[•] Equity Shares

	<b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of [•] Equity Shares such that the Application Value does not exceed ₹2,00,000/-	
Trading Lot	[•] Equity Shares	[•] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.
Application lot Size	[•] Equity Shares thereafter Equity Shares and in multiples of [•]	
Terms of Payment	The entire Application Amount shall be blocked by the SCSBs in the bank account of the Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI Mechanism) at the time of the submission of the Application Form	

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 refer to “*Issue Structure*” on page 182 of the Draft Prospectus.

\*As per Regulation 253(2) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
  - (i) Individual Applicant other than retail Individual Investors; and
  - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) 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 percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.***

#### **Withdrawal of the Issue**

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

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

**Issue Programme:**

<b>ISSUE OPENING DATE</b>	[•]
<b>ISSUE CLOSING DATE</b>	[•]

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.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 03.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 04.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

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 holidays).

## ISSUE PROCEDURE

All Applicants shall review the “General Information Document for Investing in Public Issues” prepared and issued in accordance with the circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 notified by SEBI, suitably modified from time to time, if any, and the UPI Circulars (“General Information Document”), highlighting the key rules, procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI Regulations.

The General Information Documents will be updated to reflect the enactments and regulations including the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document will also be available on the websites of the Stock Exchange and the Lead Manager, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc. shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

SEBI through UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface (**UPI**) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days (“**UPI Phase I**”). The UPI Phase I was effective till June 30, 2019.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“**UPI Phase II**”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“**UPI Phase III**”), as may be prescribed by SEBI. Accordingly, the Offer has been undertaken under UPI Phase II, till any further notice issued by SEBI.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by NSE to act as intermediaries for submitting Application Forms are provided on [www.nseindia.com](http://www.nseindia.com). For details on their designated branches for submitting Application Forms, please see the above mentioned website of NSE.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document.



Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants.

### **FIXED PRICE ISSUE PROCEDURE**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI (ICDR) Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via Fixed Price Issue method. In terms of Regulation 253(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be issued to Non Retail Category i.e. 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.

Subject to the valid Applications being received at Issue Price, allocation to all categories in the Net Offer, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants 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. However, if the retail individual investor category is entitled to more than fifty per cent of the net Issue on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Applicants are required to submit their Applications to the Application collecting intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registered Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI.

In case of QIB Applicants, the Company, in consultation with the Lead Manager, may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**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 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 exchange, 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 Exchange.**

### **PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR**

SEBI has issued UPI Circular in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circular, UPI will be 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 Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase was applicable from January 1, 2019 and till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediaries 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 has become applicable from July 1, 2019 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

**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.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders into the UPI Mechanism.

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the Lead Manager.

### **Electronic registration of Bids**

- a) The Designated Intermediary registered the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries uploaded the Bids till such time as were permitted by the Stock Exchanges and as disclosed in this Draft Prospectus.
- c) Only Bids that are uploaded on the Stock Exchanges Platform were considered for allocation/Allotment. The Designated Intermediaries were given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Offer Period after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

### **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. An electronic copy of the Application Form will also be available for download on the website of the Stock Exchange (National Stock Exchange) i.e. <https://www.nseindia.com/companies-listing/raising-capital-public-issues-listing-on-emerge> at least one day prior to the Issue Opening Date.

All the investors (except Retail Individual Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, Retail Individual Investors applying in public Issue through intermediaries shall use only UPI payment mechanism for application. The application form submitted by NIIs and QIBs must provide applicant's bank account details and authorization to block funds in the relevant space provided in the Application Form. Further, Retail Individual Investors submitting application form using UPI shall mention the UPI of his/her own Bank account in the application form in the relevant space. The Application Forms that do not contain applicant's bank account details or UPI of own Bank Account, as the case may be, are liable to be rejected. All the investors were also required to ensure that the ASBA Account had sufficient credit balance as an amount equivalent to the full Bid Amount which could have been blocked by the SCSB.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of the syndicate member/ SCSBs/ RTA/ DPs/ stock brokers, submitted at the Collection Centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID were liable for rejection.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

*\*excluding electronic Application Forms downloaded by the Applicants.*

## **SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS**

Applicants shall only use the specified Application Form for the purpose of making an application in terms of the Draft Prospectus. 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 websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account or UPI linked Bank 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.

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

- i. An SCSB, with whom the bank account to be blocked, is maintained
- ii. A syndicate member (or sub-syndicate member)
- iii. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (“broker”)
- iv. A depository participant (“DP”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)
- v. A registrar to an issuer and share transfer agent (“RTA”) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retail investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), shall enter their UPI ID in the application form.

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Designated Intermediaries (other than SCSBs) after accepting application form submitted by 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 applications submitted to Designated Intermediaries (other than SCSBs), with use of UPI for payment, 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. Further, Intermediaries shall retain physical application forms submitted by retail individual investors with UPI as a payment mechanism, for a period of six months and thereafter forward the same to the issuer/ Registrar to the Issue. However, in case of Electronic forms, “printouts” of such applications need not be retained or sent to the issuer. Intermediaries shall, at all times, maintain the electronic records relating to such forms for a minimum period of three years.

SCSB, after accepting the form, shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and blocked funds available in the bank account specified in the form, to the extent of the application money specified.

It is clarified that Retail Individual Investors may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form submitted by RIIs (without using UPI for payment), NIIs and QIBs, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors (other than Retail Individual Investors) to intermediaries other than SCSBs without use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of 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 Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment</b>	<p>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(s).</p> <p>Stock Exchange shall share application details including the UPI ID with Sponsor Bank on a continuous basis through API integration, to enable Sponsor Bank to initiate mandate request on investors for blocking of funds.</p> <p>Sponsor Bank shall initiate request for blocking of funds through NPCI to investor. Investor shall accept mandate request for blocking of funds, on his / her mobile application, associated with UPI ID linked bank account.</p>

Stock exchange(s) shall validate the electronic application details with depository's records for DP ID/Client ID and PAN Combination, on a real time basis through API Integration and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange(s) 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 application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants have deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or Subsequent notice of such changes to the Applicants.

#### **WHO CAN APPLY?**

**As per the existing RBI regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.**

Each Applicants should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

**Subject to the above, an illustrative list of Applicants is as follows:**

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The 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;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) QIBs;
- e) Mutual Funds registered with SEBI;
- f) 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;
- g) 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);
- h) 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;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant’s category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with the SEBI;
- m) 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;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- r) 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;
- s) Insurance funds set up and managed by army, navy or air force of the Union of India;
- t) Multilateral and bilateral development financial institution;
- u) Eligible QFIs;
- v) Insurance funds set up and managed by army, navy or air force of the Union of India;

- w) Insurance funds set up and managed by the Department of Posts, India;
- x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- |                                       |  |
|---------------------------------------|--|
| 1. Minors (except under guardianship) | 2. Partnership firms or their nominees |
| 3. Foreign Nationals (except NRIs)    | 4. Overseas Corporate Bodies           |

*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.*

**PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER**

The Lead Manager and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Lead Manager and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, in the Non-Institutional Category where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Lead Manager and syndicate members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the Lead Manager or any associates of the Lead Manager, except Mutual Funds sponsored by entities which are associates of the Lead Manager or insurance companies promoted by entities which are associate of Lead Manager or AIFs sponsored by the entities which are associate of the Lead Manager or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the Lead Manager nor; (ii) any "person related to the Promoter and members of the Promoter 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 Promoter and members of the Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter and members of the Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Promoter and Promoter Group and any persons related to our Promoters and Promoter Group cannot participate in the Issue.

**APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIS APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

**APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any 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.

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.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications, provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

#### **APPLICATIONS BY ELIGIBLE NRIS ON REPATRIATION BASIS**

##### **ELIGIBLE NRIS APPLYING ON A REPATRIATION BASIS ARE ADVISED TO USE THE APPLICATION FORM MEANT FOR NON-RESIDENTS (BLUE IN COLOUR).**

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

NRIs may obtain copies of Application Form from the offices of the Lead Manager and the Designated Intermediaries. Eligible NRI Applicants making application on a repatriation basis by using the Non Resident Forms, should authorize their SCSB to block their Non-Resident External (NRE) accounts, or Foreign Currency Non-Resident (FCNR) or ASBA Accounts.

**Eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non Resident Ordinary (NRO) accounts for the full Application Amount, at the time of the submission of the Application Form.**

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

#### **APPLICATIONS BY ELIGIBLE FPIs INCLUDING FIIs ON REPATRIATION BASIS**

##### **FIIs INCLUDING FIIs WHO WISH TO PARTICIPATE IN THE ISSUE ARE ADVISED TO USE THE APPLICATION FORM FOR NON- RESIDENTS (BLUE IN COLOUR).**

As per the current regulations, the following restrictions are applicable for investments by FPIs:

1. Foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of schemes floated by a collective investment scheme; (d)

Derivatives traded on a recognized stock exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-convertible debentures or bonds issued by Non-Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFCs) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.

2. Where a foreign institutional investor or a sub account, prior to commencement of FEMA Act, holds equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after initial public offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment for the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - (a). A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - (b). Nothing contained in clause (a) shall apply to:
    - i. Any transactions in derivatives on a recognized stock exchange;
    - ii. Short selling transactions in accordance with the framework specified by the Board;
    - iii. Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - iv. Any other transaction specified by the Board.
  - (c). No transaction on the stock exchange shall be carried forward;
  - (d). The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board;

Provided nothing contained in this clause shall apply to:

- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
- ii. sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- iii. sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
- iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy-back of securities) Regulations, 2018;
- v. divestment of securities in response to an issue by Indian Companies in accordance with Operative Guidelines for Disinvestment of Shares by Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
- vi. Any Application for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
- vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- viii. Any other transaction specified by the Board.



- (e). A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form:

Provided that any shares held in non-dematerialized form, before the commencement of FEMA Act, can be held in non-dematerialized form, if such shares cannot be dematerialized.

Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

4. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
5. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
6. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
7. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.
8. No foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

(a). Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority;

(b). Such offshore derivative instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal in offshore derivatives instruments directly or indirectly:

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

9. A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.
10. Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.
11. Any offshore derivative instruments issued under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be deemed to have been issued under the corresponding provisions of SEBI (Foreign Portfolio Investors) Regulations, 2014.
12. A FII or its subaccount which holds a valid certificate of registration shall, subject to payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.
13. A qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provisions of the SEBI (Foreign Portfolio Investors) Regulations, 2014, for a period of one year from the date of

commencement of the aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

14. The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10% of the total issued capital of the company.
15. The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.
16. In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its board of Directors followed by the special resolution to that effect by its shareholders in their General Meeting. As on the date of filing the Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.
17. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.
18. In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Further, the SEBI, AIF Regulations prescribes, among others, the investment restrictions on AIFs.

The holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicants on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all such Applicants will be treated on the same basis with other categories for the purpose of allocation.

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.

#### **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 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 reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

- (a.) Equity shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b.) The entire group of the investee Company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c.) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **APPLICATION 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 and the Selling Shareholders 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 (the "Banking Regulation Act"), and Master Direction –Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI, provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non- financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions,

2016, as amended. Applications by banking companies should not exceed the investment limits prescribed for them under the applicable laws,

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATION BY SCSBS**

SCSBSs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBSs 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 SCSBSs. 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.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, 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 with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a.) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b.) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c.) With respect to applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹ 25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.
- d.) With respect to 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.

The Company in its 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 the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository

of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. The Company 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 the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

*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.*

## **INDICATIVE PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE**

### **ASBA PROCESS**

**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 the 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.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in](http://www.sebi.gov.in). For details on designated branches of SCSB collecting the Application Form, please refer the below mentioned SEBI link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>  
<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB or Registered Brokers or Registered RTA's or DPs registered with SEBI. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### **CHANNELS OF SUBMISSION OF APPLICATION FORMS**

From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

Category of Investor	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.  For such applications the existing process of uploading the Application and blocking of funds in the RIIs account by the SCSB would continue.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.	Not Applicable	RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII) including Qualified Institutional Buyer (QIB)			Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking of funds.	Not Applicable

Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such Applications with the Stock Exchange.

If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Applications and shall not upload such Applications with the Stock Exchange.

If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each Application into the electronic bidding system as a separate Application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be.

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

## **PROCESS FLOW FOR APPLICATIONS IN PUBLIC ISSUE SUBMITTED BY RETAIL INDIVIDUAL INVESTOR**

In addition to application to be submitted to SCSB, with whom the bank account to be blocked, is maintained, a RII would also have the option to submit application form with any of the intermediary and use his / her bank account linked UPI ID for the purpose of blocking of funds with effect from January 01, 2019.

The detailed process in this regard is as detailed hereunder:

### **Application and validation process**

- (a). submission of the application with the intermediary, the RII would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- (b). RII will fill in the Application details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediary.
- (c). The intermediary upon receipt of form will upload the Application details along with UPI ID in the stock exchange bidding platform.
- (d). Once the Application has been entered in the bidding platform, the exchange will undertake validation of the PAN and Demat Account details of RII with the depository.
- (e). Depository will validate the aforesaid Application details on a real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
- (f). SMS from exchange to RII for applying: Once the Application details are uploaded on the stock exchange platform, the stock exchange shall send an SMS to the RII regarding submission of his / her application, daily at the end of day basis, during bidding period. For the last day of applying, the SMS may be sent out the next working day.

### **The Block Process**

- (a). Post undertaking validation with depository, the stock exchange will, on a continuous basis, electronically share the Application details along with RIIs UPI ID, with the Sponsor Bank appointed by the issuer.
- (b). The Sponsor Bank will initiate a mandate request on the RII i.e. request the RII to authorize blocking of funds equivalent to application amount and Subsequent debit of funds in case of allotment. For all pending UPI Mandate Requests, the Sponsor Bank will initiate requests for blocking of funds in the ASBA Accounts of relevant investors with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Issue Closing Date (“**Cut-Off Time**”). Accordingly, RIIs using the UPI Mechanism need to accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests after the Cut-Off Time will lapse.
- (c). The request raised by the Sponsor Bank, would be electronically received by the RII as a SMS / intimation on his / her mobile no. / Mobile app, associated with UPI ID linked bank account.
- (d). The RII would be able to view the amount to be blocked as per his / her Application in such intimation. The RII would also be able to view an attachment wherein the IPO Application details submitted by RII will be visible. After reviewing the details properly, RII would be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the IPO.
- (e). Upon successful validation of block request by the RII, as above, the said information would be electronically received by the RIIs’ bank, where the funds, equivalent to application amount, would get blocked in RIIs account. Intimation regarding confirmation of such block of funds in RIIs account would also be received by the RII.
- (f). The information containing status of block request (e.g. – accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with stock exchange. The block request status would

also be displayed on stock exchange platform for information of the intermediary.

- (g). The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.
- (h). RIIs would continue to have the option to modify or withdraw the Application till the closure of the Issue period. For each such modification of Application, RII will submit a revised Application and shall receive a mandate request from sponsor bank to be validated as per the process indicated above.

Post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

#### **NUMBER OF APPLICATIONS PER BANK ACCOUNT**

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

#### **HOW TO APPLY?**

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **MODE OF PAYMENT**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by applicant and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted. The SCSB or Sponsor Bank shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount.

However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 and all related circulars issued thereafter, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.



On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

In case of applications made by using any of channels under UPI Payments Mechanism, post closure of the Offer, the stock exchange will share the Application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

The RTA, based on information of Applications and blocking received from stock exchange, would undertake reconciliation of the Applications data and block confirmation corresponding to the Applications by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.

Upon approval of basis of allotment, RTA will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

Upon confirmation of receipt of funds in the public issue account, shares would be credited to the RII's account. RII will be notified for full/partial/no allotment. For partial allotment the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the RII.

#### **UNBLOCKING OF ASBA ACCOUNT**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account as per section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account.

In case of applications made by using any of channels under UPI Payments Mechanism, Registrar to the Issue will share the debit file with Sponsor bank (through Stock exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the RIIs account. The Sponsor bank based on the mandate approved by the RII at the time of blocking of funds, will raise the debit / collect request from RIIs bank account, whereupon the funds will be transferred from RIIs account to public issue account and remaining funds, if any, will be unblocked without any manual intervention by RII or his / her bank.

However, the Application Amount may be unblocked in the ASBA Account or Bank Account link in UPI Mechanism prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application or Application made through UPI Mechanism, as the case may be.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

The applications in this Issue, being a fixed price issue, will be categorized into two;

##### **1. For Retail Individual Applicants**

The Application must be for a minimum of [•] Equity Shares so as to ensure that the Application amount payable by the Applicant does not exceed ₹ 2,00,000.

##### **2. For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of [•] Equity Shares so as to ensure that the Application Amount exceeds ₹ 2,00,000 and in multiples of [•] Equity Shares thereafter.

A person shall not make an application in the net Issue category for a number of specified securities that exceeds the total number of securities offered to the public. Further, the maximum application by non-institutional

investors shall not exceed total number of specified securities offered in the issue less total number of specified securities offered in the issue to qualified institutional buyers.

Further, 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 Applicants, 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 form 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 the Prospectus.**

### **RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

**Furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.**

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form in compliance of the Companies Act, 2013.

The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Applicants will not have the option of getting Allotment of the Equity Shares in physical form. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

### **INFORMATION FOR THE APPLICANTS**

- a.) The Company will file the Prospectus with the RoC at least 3 (three) working days before the Issue Opening Date.
- b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- d.) Applicants who are interested in subscribing to the Equity Shares should approach the Lead Manager or their authorized agent(s) to register their Applications.
- e.) Applications made in the name of Minors and/or their nominees shall not be accepted.

### **PRE-ISSUE ADVERTISEMENT**

As provided in Section 30 of the Companies Act, 2013 and 264(2) of the SEBI (ICDR) Regulations, 2018, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English national daily newspaper; one widely circulated Hindi national daily newspaper and one widely circulated Punjabi newspaper.

### **SIGNING OF UNDERWRITING AGREEMENT**

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement with the Lead Manager on [•]

### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of Companies Act, 2013.

## INFORMATION FOR THE APPLICANTS

- a.) **Designated Date and Allotment of Equity Shares Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.
- b.) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the designated stock exchange, the Registrar shall upload it on its website. On the basis of approved basis of allotment, the Issuer shall make necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.
- c.) Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
- d.) Issuer will make the allotment of the equity shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 5 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within two working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

**Designated Date:** On the Designated date, the SCSBs or Sponsor Bank shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 5 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

## INTEREST AND REFUNDS

### COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### GROUNDS FOR REFUND

#### NON RECEIPT OF LISTING PERMISSION

An Issuer makes an Application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of the Prospectus.

In case, our Company fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, our Company shall refund through verifiable means the entire monies received within

seven days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities. The Lead Manager and Registrar to the Issue shall intimate Public Issue bank/Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If any such money is not repaid within eight days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum.

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the “Stated Minimum Amount” has not been subscribed and the sum payable on application is not received within a period of thirty days from the date of issue of the Prospectus, or such other period as may be specified by the Securities and Exchange Board, the amount received under sub-section (1) shall be returned within such time and manner as may be prescribed under that section. If the Issuer does not received the subscription of 100% of the Issue through this Draft Prospectus including devolvement of underwriters within Sixty Days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 39 of the Companies Act, 2013.

#### **MINIMUM NUMBER OF ALLOTTEES**

The Issuer may ensure that the number of proposed Allottees to whom Equity Shares may be allotted shall not be less than 50 (Fifty), failing which the entire application monies may be refunded forthwith.

#### **MODE OF REFUND**

Within four Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs or in case of Applications by RIIs applying through the UPI mechanism to the Sponsor Bank, to revoke the mandate and for unblocking the amount in ASBA Accounts of unsuccessful Applicants and also for any excess amount blocked on Applications.

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Applications or in the event of withdrawal or failure of the Issue.

#### **LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBS**

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within four Working Days from the Issue Closing Date. The Registrar shall instruct the Sponsor Bank or relevant SCSBs to, on the receipt of such instructions from the Registrar, revoke the mandate and for unblocking the amount in ASBA Accounts to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within four Working Days of the Issue Closing Date.

#### **INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND:**

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

1. **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.

2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

## GENERAL INSTRUCTIONS

### Do's:

- Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that the details about the PAN, DP ID and Client ID, UPI ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Applicants in case of joint Applications, is included in the Application Forms;
- QIBs, Non-Institutional Applicants and the Retail Applicants should submit their Applications through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their Application by using UPI mechanism for payment.
- 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 Applicants whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Application;
- Ensure that you have funds equal to the Application Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- 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, and (ii) 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;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Application under power of attorney or by limited companies, corporates, trust etc, relevant documents are submitted;
- Ensure that Application submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as

the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Draft Prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
- Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
- Ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB 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;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form;
- Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not make Application on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not make Application at Cut-off Price (for Applications by QIBs and Non-Institutional Applicants);
- Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- Do not make Application for Application Amount exceeding ₹ 2,00,000 (for Applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Net Issue Size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
- Do not submit the General Index Register number instead of the PAN;
- Do not submit the Application without ensuring that funds equivalent to the entire Application Amount are blocked in the relevant ASBA Account;
- Do not submit Application on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicants;
- Do not submit Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- Do not make Application 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);
- Do not submit Application by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

#### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected. SEBI, vide Circular No. CIR/CFD/14/2012 dated October 4, 2012 has introduced an additional mechanism for investors to submit application forms in public

issues using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker’s Centre is available on the websites of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

Applicants may note that forms not filled completely or correctly as per instructions provided in this Draft Prospectus, the General Information Document which shall be made available on the website of the Stock Exchange, the Issuer and the LM, are liable to be rejected. Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below;

#### **A. INSTRUCTION FOR FILLING THE APPLICATION FORM**

<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXX	Application Form No. _____
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ _____ _____ Address _____ _____ _____ Email _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	
<b>2. PAN OF SOLE/FIRST APPLICANT</b>		

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.	<input type="checkbox"/> Individual(s)    - IND <input type="checkbox"/> Non-Resident Indians (Non-Repatriation Basis)    - NRI <input type="checkbox"/> Hindu Undivided Family*    - HUF <input type="checkbox"/> Bodies Corporate    - CO <input type="checkbox"/> Banks & Financial Institutions    - FI <input type="checkbox"/> Mutual Funds    - MF <input type="checkbox"/> National Investment Funds    - NIF <input type="checkbox"/> Insurance Funds    - IF <input type="checkbox"/> Insurance Companies    - IC <input type="checkbox"/> Venture Capital Funds    - VCF <input type="checkbox"/> Alternative Investment Funds    - AIF <input type="checkbox"/> Others (Please Specify)    - OTH

<b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b>	<b>5. CATEGORY</b>
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [ ]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price	<input type="checkbox"/> Retail Individual
(In Figures) _____ (In Words) _____	<input type="checkbox"/> Non-Institutional
<b>ALLOTMENT WILL BE IN DEMAT MODE ONLY<sup>2</sup></b>	<input type="checkbox"/> QIB

<sup>1</sup> Please note that applications must be made in minimum of [ ] shares and further multiples of [ ] shares accordingly.  
<sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____ Bank Name & Branch _____ OR UPI Id _____ (Maximum 45 characters)	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	

TEAR HERE

<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - R</b>	Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No. _____
DPID / CI ID: _____	ASBA Bank & Branch: _____	Stamp & Signature of SCSB Branch	
Amount Blocked (₹ in figures) _____	ASBA Bank A/c No./UPI Id _____	Stamp & Signature of SCSB Branch	
Received from Mr./Ms. _____	Telephone / Mobile _____ Email _____		

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>	In Figures	In Words	Stamp & Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Name of Sole / First Applicant
No. of Equity Shares	_____	_____	_____	_____
Amount Blocked (₹)	_____	_____	_____	_____
ASBA Bank A/c No. /UPI Id: _____ Bank & Branch: _____				<b>Acknowledgement Slip for Applicant</b>
				Application Form No. _____

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.



**COMMON APPLICATION FORM**

**XYZ LIMITED - INITIAL PUBLIC ISSUE - NR**  
 Registered Office:  
 Tel. No.: Fax No.: Email: Website:  
 Contact Person: CIN:

FOR ELIGIBLE NRIs, FIIs/FPiIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS

<b>LOGO</b>	<b>TO,</b> THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXXX	<b>Application Form No.</b>
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b> Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	
		<b>2. PAN OF SOLE/FIRST APPLICANT</b>

<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b>	<input type="checkbox"/> NSDL	<input type="checkbox"/> CDSL	<b>6. INVESTOR STATUS</b>
For NSDL enter 8 Digit DP ID followed by 8 Digit Client ID / For CDSL enter 16 Digit Client ID.			<input type="checkbox"/> Non-Resident Indians - NRI (Repatriation basis)
<b>4. APPLICATION DETAILS (Only Retail Individual Investor can apply at "Cut-Off")</b>			<input type="checkbox"/> Foreign Institutional Investor - FII/
No. of Equity Shares of ₹ 10/- each applied at the Issue Price i.e. at ₹ [ ]/- per share <sup>1</sup> <input type="checkbox"/> "Cut-Off" Price			<input type="checkbox"/> Foreign Portfolio Investor - FPI
(In Figures)	(In Words)		<input type="checkbox"/> Foreign Venture Capital Investor - FVCI
ALLOTMENT WILL BE IN DEMAT MODE ONLY <sup>2</sup>			<input type="checkbox"/> FII Sub Account Corporate / Individual - FIISA
<sup>1</sup> Please note that applications must be made in minimum of [ ] shares and further multiples of [ ] shares accordingly.			<input type="checkbox"/> Others - OTH (please specify)
<sup>2</sup> Please note that the equity shares on allotment will be allotted only in the dematerialized mode on the SME Platform of BSE.			
<b>5. CATEGORY</b>			
<input type="checkbox"/> Retail Individual			
<input type="checkbox"/> Non-Institutional			
<input type="checkbox"/> QIB			

<b>7. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Amount Blocked (₹ in Figures) _____	(₹ in words) _____
ASBA Bank A/c No. _____	
Bank Name & Branch _____	
OR	
UPI Id _____	
(Maximum 45 characters)	
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE APPLICATION FORM GIVEN OVERLEAF.	

<b>8 A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>8 B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1) _____	
	2) _____	
	3) _____	

TEAR HERE

<b>LOGO</b>	<b>XYZ LIMITED INITIAL PUBLIC ISSUE - NR</b>	Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	<b>Application Form No.</b>
<b>DPID / CLID</b>			<b>PAN of Sole/First Applicant</b>
Amount Blocked (₹ in figures)	ASBA Bank & Branch	<b>Stamp &amp; Signature of SCSB Branch</b>	
ASBA Bank A/c No./UPI Id			
Received from Mr./Ms.			
Telephone / Mobile	Email		

TEAR HERE

<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b>	In Figures	In Words	<b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b>
	No. of Equity Shares			
	Amount Blocked (₹)			
	ASBA Bank A/c No. / UPI Id:			
Bank & Branch:				<b>Application Form No.</b>

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

## **1. FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST APPLICANT:**

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a.) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/ mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer, the members of the Syndicate the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- b.) **Joint Applicants:** In the case of Joint Applicants, the Application should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Applicant whose name appears in the Application Form or the Revision Form and all communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

## **2. FIELD NUMBER 2: PAN NUMBER OF SOLE /FIRST APPLICANT:**

- a.) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- b.) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Application on behalf of the Central or State Government, Application by officials appointed by the courts and Application by Applicant residing in Sikkim ("PAN Exempted Applicant"). Consequently, all Applicants, other than the PAN Exempted Applicant, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Application by the Applicant whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c.) The exemption for the PAN Exempted Applicant 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.
- d.) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e.) Applications by Applicant whose demat accounts have been "suspended for credit" are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

## **3. FIELD NUMBER 3: APPLICANT'S DEPOSITORY ACCOUNT DETAILS**

- a.) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, otherwise, the Application Form is liable to be rejected.
- b.) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c.) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicants may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicants as available on the records of the depositories. These Demographic Details may be used, among other things, for sending allocation advice and for other correspondence(s) related to an Issue.

- d.) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants' sole risk.

#### 4. FIELD NUMBER 4: APPLICATION OPTIONS

- a.) Since, this is the Fixed Price Issue and the Price has already been disclosed in the Prospectus, the Applicants should make application at the Issue Price only. For the purpose of this Issue, the Price has been Determined as [•] per equity shares (including premium of [•] per equity share).
- b.) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can make application at the Cut-off Price indicating their agreement to apply for and purchase the Equity Shares at the Issue Price as determined in terms of Prospectus. Making Application at the Cut-off Price is prohibited for QIBs and NIIs and such Applications from QIBs and NIIs may be rejected.
- c.) **Minimum Application Value and Application Lot:** For Application made by Retail Individual Investors, minimum application of [•] Equity Shares to ensure that the minimum Application value is not exceeding ₹ 2,00,000 and not less than ₹ 1,00,000. For Application made by QIBs and Non – Institutional Investors, minimum application of [•] Equity Shares and in multiples of [•] Equity Shares thereafter to ensure that the minimum Application value is exceeding ₹ 2,00,000.
- d.) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum application Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. Also, in case if the RII category is entitled to more than the allocated equity shares on proportionate basis, the RII category shall be allotted that higher percentage.

##### Maximum and Minimum Application Size

- e.) The Applicants may apply for the desired number of Equity Shares in multiple of [•] equity shares at Issue Price. Applications by Retail Individual Investors and Retail Individual Shareholders must be for [•] equity shares, so as to ensure that the Application Amount, payable by the Applicants does not exceed ₹ 2,00,000.

In case the Application Amount exceeds ₹ 2,00,000 due to revision of the Application or any other reason, the Application may be considered for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected.

For NRIs, Application Amount of up to ₹ 2,00,000 may be considered under the Retail Category for the purposes of allocation and Application Amount exceeding ₹ 2,00,000 may be considered under the Non-Institutional Category for the purposes of allocation.

- f.) Application by QIBs and NIIs must be for [•] equity shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of [•] Equity Shares thereafter, as may be disclosed in the Application Form and the Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to make application at Cut off Price.
- g.) RII may revise or withdraw their application until Issue Closing Date. QIBs and NII's cannot withdraw or lower their Application (in terms of quantity of Equity Shares or the Application Amount) at any stage after making application and are required to pay the Application Amount upon submission of the Application.
- h.) In case the Application Amount reduces to ₹ 2,00,000 or less due to a revision of the Price, Application by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- i.) An Application cannot be submitted for more than the net issue size.
- j.) The maximum application by any applicant including QIB applicant should not exceed the investment limits prescribed for them under the applicable laws.

## **Multiple Applications**

- k.) Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Application Forms bearing the same application number shall be treated as multiple Applications and are liable to be rejected.
- l.) Applicants are requested to note the following procedures that may be followed by the Registrar to the Issue to detect multiple Applications:
  - i. All Applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple Application by Applicants and may be rejected.
  - ii. For Application from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Application on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. Such Applications which have the same DP ID and Client ID may be treated as multiple applications and are liable to be rejected.
- m.) **The following Applications may not be treated as multiple Applications:**
  - i. Applications by Reserved Categories making application in their respective Reservation Portion as well as application made by them in the Issue portion in public category.
  - ii. Separate Applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Application has been made.
  - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

## **5. FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a.) The categories of Applicants are identified as per the SEBI (ICDR) Regulations, 2018 for the purpose of Applications, allocation and allotment in the Issue are RIIs, NIIs and QIBs.
- b.) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI (ICDR) Regulations, 2018. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c.) The SEBI (ICDR) Regulations, 2018, specify the allocation or allotment that may be made to various categories of Application in an issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form.
- d.) For Issue specific details in relation to allocation, Applicants may refer to the Prospectus.

## **6. FIELD NUMBER 6: INVESTOR STATUS**

- a.) Each Applicants should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue follows the investment restrictions under applicable law.
- b.) Certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c.) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d.) Applicants should ensure that their investor status is updated in the Depository records.

**7. FIELD NUMBER 7: PAYMENT DETAILS**

- a.) Applicants are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Applicants doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Applicants providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.
- b.) The full Application Amount shall be blocked based on the authorization provided in the Application Form.
- c.) RIIs who make application at Cut-off price shall be blocked on the Cap Price.
- d.) All Applicants (other than Anchor Investors) can participate in the Issue only through the ASBA mechanism.
- e.) RIIs submitting their applications through Designated Intermediaries can participate in the Issue through the UPI mechanism, through their UPI ID linked with their bank account.
- f.) Application Amount cannot be paid in cash, cheque, and demand draft, through money order or through postal order.

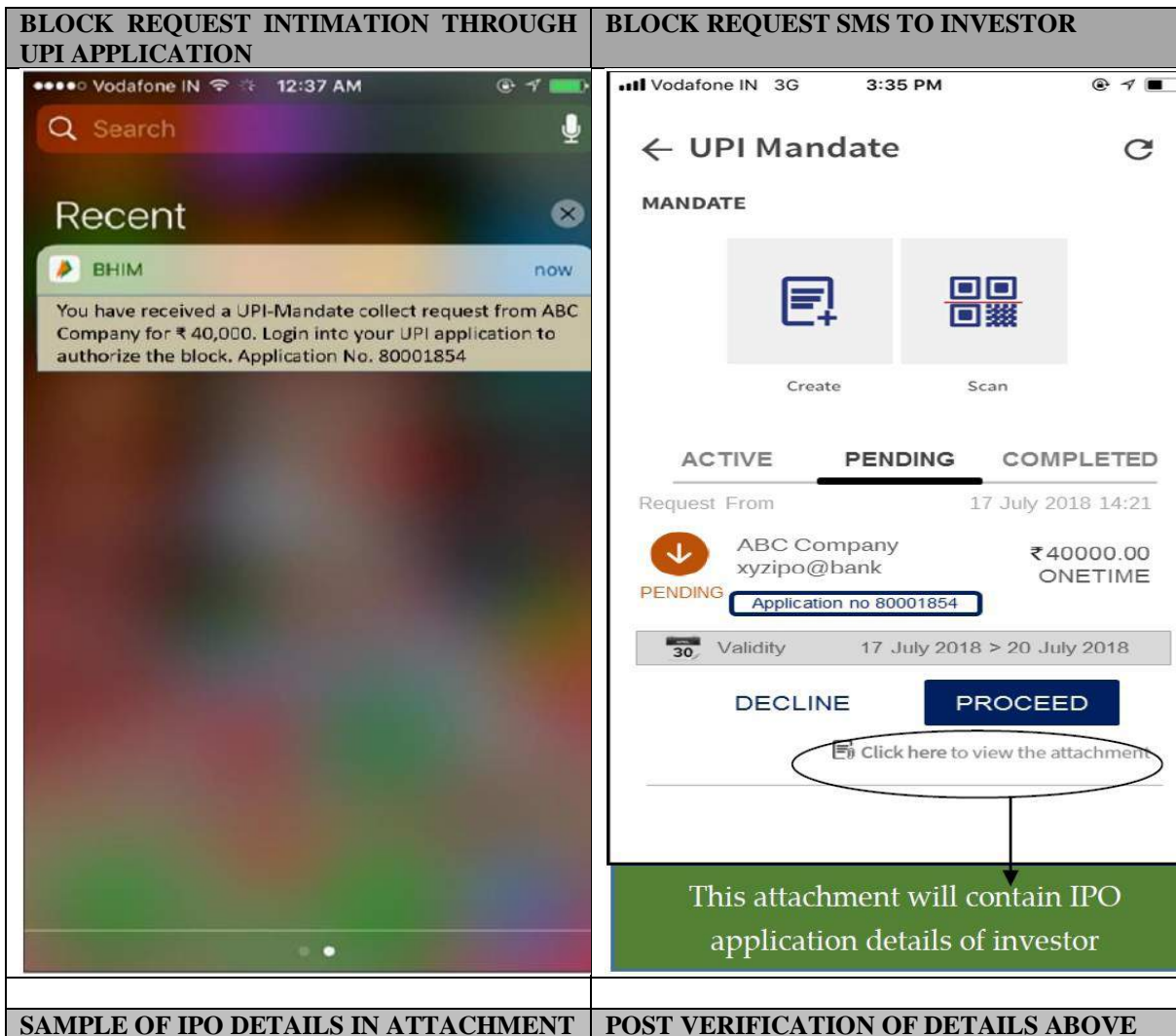
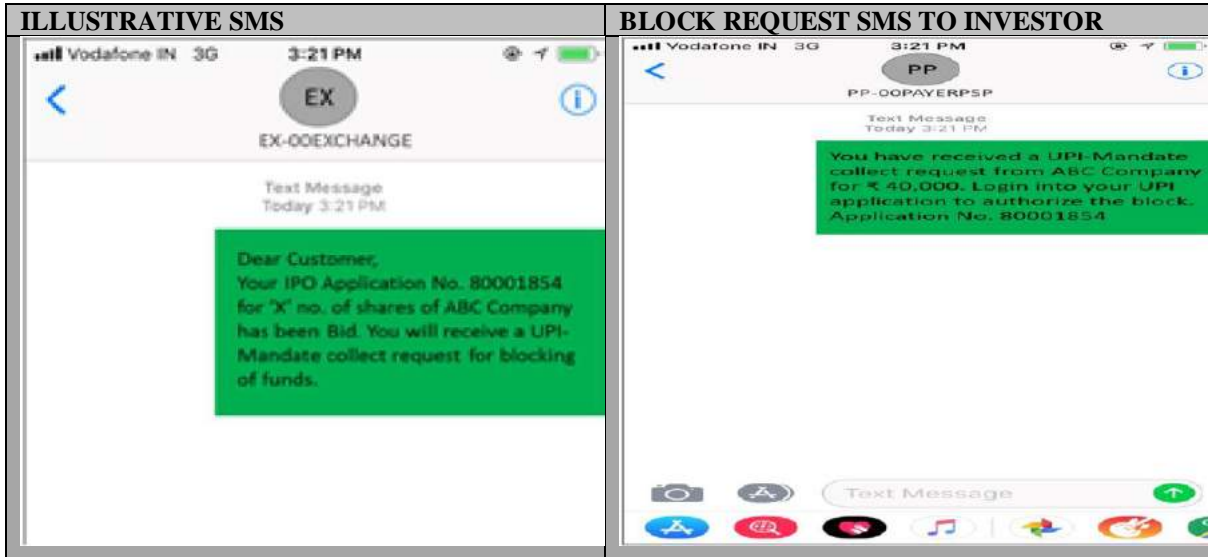
**Payment instructions for Applicants (other than Anchor Investors)**

- a.) From July 1, 2019 in Phase II, RIIs shall use only Channel I, Channel II and Channel IV (as described below) for making applications in a public issue:

Category of Investor	Channel I	Channel II	Channel III	Channel IV
Retail Individual Investor (RII)	Investor may submit the Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online.	Investor may submit the Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by Registered Brokers.		RIIs may submit the Application Form with any of the Designated Intermediaries and use his/her UPI ID for the purpose of blocking of funds.
Non- Institutional Investor (NII)	For such applications the existing process of uploading the Application and blocking of finds in the RIIs account by the SCSB would continue.		Investor may submit the Application Form with any of the Designated Intermediaries, along with details of his/her ASBA Account for blocking of funds.  For such applications the Designated Intermediary will upload the Application in the stock exchange bidding platform and forward the application form to Designated Branch of the concerned SCSB for blocking	Not Applicable

Category of Investor	Channel I	Channel II	Channel III	Channel IV
			of funds.	

Please see below a graphical illustrative process of the investor receiving and approving the UPI mandate request:



**BLOCK REQUEST INTIMATION THROUGH UPI APPLICATION**

Secure | https://

**1 Enter Details**

**Investor Details**

Depository Name	DP ID	Client ID
NSDL	IN300513	14871468
Beneficiary No.	PAN Card	Investor's Name
-	AAMPF7581P	SHYAM SHARAM

**IPO Details**

Company Name	IPO Symbol	Bid Lot
IPO	SUPREMEENG	40000
Face Value	Maximum Price	Minimum Price
10.00	₹ 32.00	₹ 27.00
Cut Off Price	IPO Start Date	IPO End Date
₹ 32.00	20 July 2018	27 July 2018
Discount Amount	Discount Category	
NA	-	

**BLOCK REQUEST SMS TO INVESTOR**

Vodafone IN 3G 5:43 PM

**Create Mandate**

TO

**ABC Company**

xyzipo@bank **Verified Merchant**

Mandate Amount

**₹ 40000.00**

The Amount entered will be blocked immediately & debited from payer account as per your Mandate inputs

Frequency

**ONETIME**

Validity

Start Date **20 JULY 2018** > End Date **27 JULY 2018**

Users account will be debited within validity period.

REMARKS

Application no 80001834

Click here to view the attachment

**PROCEED**

**PRE-CONFIRMATION PAGE**

Vodafone IN 3G 3:48 PM

Please check the below details as the amount will be **blocked** for the validity period and will be debited as per the mandate inputs. In case of non-execution of the Mandate, the amount will be unblocked

**Mandate Details**

To

**ABC Company**

xyzipo@bank

AMOUNT

**₹ 0000.00**

FREQUENCY

**ONETIME**

VALIDITY

**20 JULY 2018 to 27 JULY 2018**

REMARKS

Application no 80001834

**CANCEL** **CONFIRM**

**ENTERING OF UPI PIN**

Vodafone IN 3G 1:39 AM

**CANCEL**

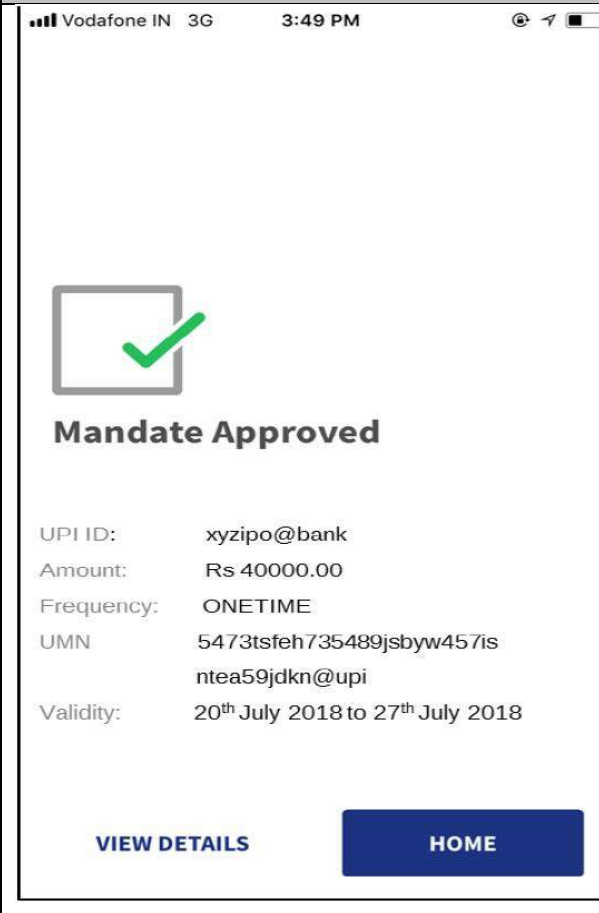
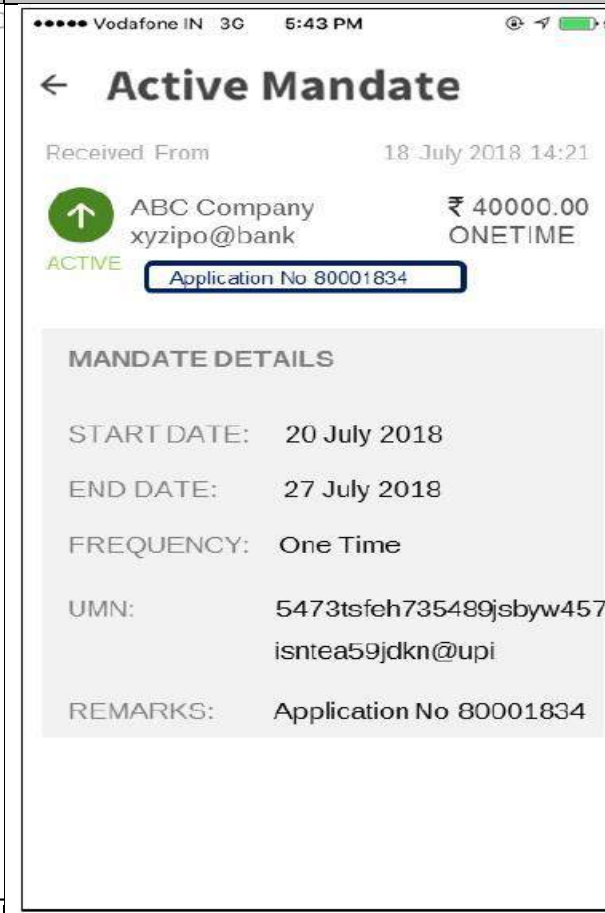
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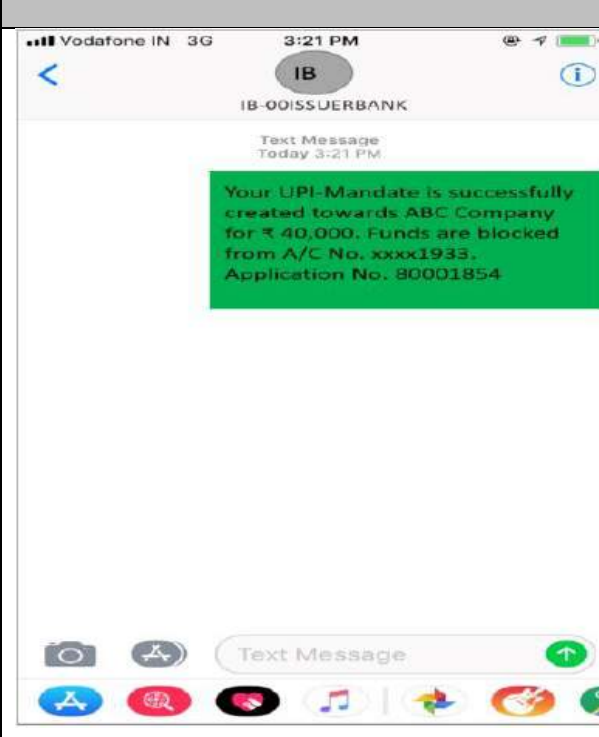
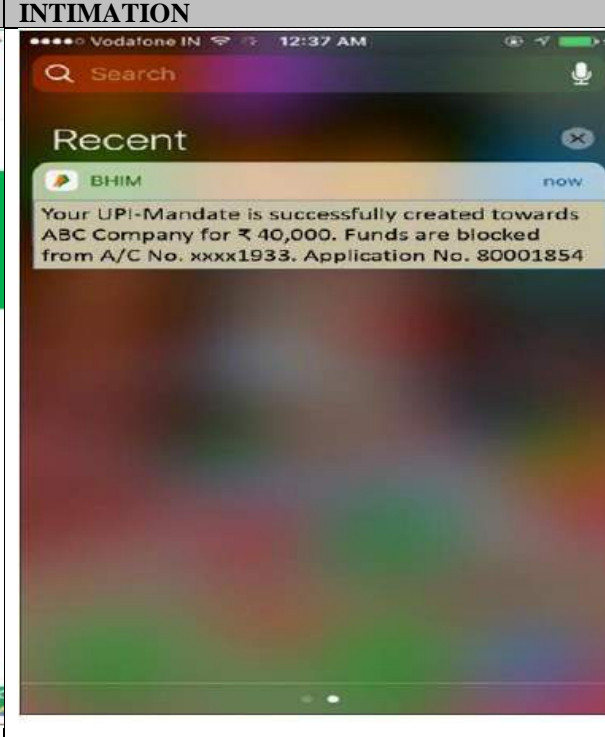
**ABC Company** ₹ 40000

**ENTER UPI PIN**

— — — —

1	2	3
4	5	6
7	8	9
✕	0	SUBMIT

PRE-CONFIRMATION PAGE	ENTERING OF UPI PIN
CONFIRMATION PAGE	APPROVED MANDATES VISIBLE IN UPI APPLICATION
 <p>Vodafone IN 3G 3:49 PM</p> <p><b>Mandate Approved</b></p> <p>UPI ID: xyzipo@bank  Amount: Rs 40000.00  Frequency: ONETIME  UMN: 5473tsfeh735489jsbyw457is  ntea59jdkn@upi  Validity: 20<sup>th</sup> July 2018 to 27<sup>th</sup> July 2018</p> <p>VIEW DETAILS HOME</p>	 <p>Vodafone IN 3G 5:43 PM</p> <p><b>Active Mandate</b></p> <p>Received From 18 July 2018 14:21</p> <p>ABC Company xyzipo@bank ₹ 40000.00 ONETIME</p> <p>ACTIVE Application No 80001834</p> <p><b>MANDATE DETAILS</b></p> <p>START DATE: 20 July 2018  END DATE: 27 July 2018  FREQUENCY: One Time  UMN: 5473tsfeh735489jsbyw457is  ntea59jdkn@upi  REMARKS: Application No 80001834</p>

BLOCK CONFIRMATION SMS TO INVESTOR	BLOCK CONFIRMATION APPLICATION INTIMATION
 <p>Vodafone IN 3G 3:21 PM</p> <p>IB-00ISSUERBANK</p> <p>Text Message Today 3:21 PM</p> <p>Your UPI-Mandate is successfully created towards ABC Company for ₹ 40,000. Funds are blocked from A/C No. xxxx1933. Application No. 80001854</p> <p>Text Message</p>	 <p>Vodafone IN 12:37 AM</p> <p>Search</p> <p>Recent</p> <p>BHIM now</p> <p>Your UPI-Mandate is successfully created towards ABC Company for ₹ 40,000. Funds are blocked from A/C No. xxxx1933. Application No. 80001854</p>



- b.) QIB and NII Applicants may submit the Application Form either;
- i. to SCSB in physical or electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Application Form, or
  - ii. in physical mode to any Designated Intermediary.
- c.) Applicants must specify the Bank Account number, or the UPI ID, as applicable, in the Application Form. The Application Form submitted by Applicants and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account, may not be accepted.
- d.) Applicants should note that application made using third party UPI ID or ASBA Bank account are liable to be rejected.
- e.) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.
- f.) Applicants should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centers, the RTA at the Designated CRTA Locations or CDP at the Designated CDP Locations.
- g.) **Applicants making application through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- h.) **Applicants making application directly through the SCSBs** should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- i.) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- j.) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and for application directly submitted to SCSB by investor, may enter each application details into the electronic bidding system as a separate application.
- k.) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Application on the Stock Exchange platform and such Applications are liable to be rejected.
- l.) Upon submission of a completed Application Form each Applicants (not being a RII who has opted for the UPI payment mechanism and provided a UPI ID with the Application Form) may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Application Amount for RIIs who have provided a UPI ID with the Application Form, please refer to graphical illustrative process of the investor receiving and approving the UPI mandate request provided in clause (a).
- m.) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- n.) SCSBs making application in the Issue must apply through an Account maintained with any other SCSB; else their Applications are liable to be rejected.

## **8. FIELD NUMBER 8: UNBLOCKING OF ASBA ACCOUNT**

- a.) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant ASBA Accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant ASBA Account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA Accounts.
- b.) On the basis of instructions from the Registrar to the Issue, the SCSBs or the Sponsor Bank, as the case may be, may transfer the requisite amount against each successful Applicants to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- c.) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Application Amount in the Relevant Account within four Working Days of the Issue Closing Date.

**Additional Payment Instructions for RIIs applying through Designated Intermediaries using the UPI mechanism**

- d.) Before submission of the application form with the Designated Intermediary, an RII shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
- e.) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>
- f.) RIIs shall mention his / her UPI ID along with the application details in the Application Form in capital letters and submit the Application Form to any of the Designated Intermediaries.
- g.) The Designated Intermediary upon receipt of the Application Form will upload the application details along with UPI ID in the stock exchange bidding platform.
- h.) Once the application has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the Designated Intermediary through its bidding platform, for corrections, if any.
- i.) Once the application details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the application details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.
- j.) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.
- k.) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the details of the application are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire application Amount and authorized the Sponsor Bank to block the application Amount mentioned in the Application Form and Subsequent debit in case of allotment.
- l.) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the

ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.

- m.) RIIs may continue to modify or withdraw the application till the closure of the Issue Period. For each modification of the application, the RII will submit a revised application and will receive a new UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.
- n.) RIIs to check the correctness of the details on the mandate received before approving the Mandate Request.
- o.) Post closure of the Issue, the stock exchange will share the application details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

**Discount: NOT APPLICABLE**

#### **Additional Payment Instruction for NRIs**

The Non-Resident Indians who intend to block funds through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of applications by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

#### **9. FIELD NUMBER 9: SIGNATURES AND OTHER AUTHORISATIONS**

- a.) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b.) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form.
- c.) Applicants must note that Application Form without signature of Applicants and /or ASBA Account holder is liable to be rejected.

#### **10. FIELD NUMBER 10: ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- a.) Applicant should ensure that they receive the acknowledgment duly signed and stamped by Application Collecting Intermediary or SCSB, as applicable, for submission of the Application Form.
- b.) All communications in connection with Application made in the Issue should be addressed as under:
  - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicant should contact the Registrar to the Issue.
  - ii. In case of ASBA Application submitted to the Designated Branches of the SCSBs, the Applicant should contact the relevant Designated Branch of the SCSB.
  - iii. Applicants may contact the Company Secretary and Compliance Officer or Lead Manager in case of any other complaints in relation to the Issue.
  - iv. In case of queries relating to uploading of Application by a Syndicate Member, the Applicant should contact the relevant Syndicate Member.
  - v. In case of queries relating to uploading of Application by a Registered Broker, the Applicant should contact the relevant Registered Broker
  - vi. In case of Application submitted to the RTA, the Applicant should contact the relevant RTA.

vii. In case of Application submitted to the DP, the Applicant should contact the relevant DP.

viii. In case of queries relating to uploading of Application through the UPI Mechanism, the Applicant should contact the Sponsor Bank;

c.) The following details (as applicable) should be quoted while making any queries –

i. Full name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on Application.

ii. name and address of the Designated Intermediary, where the Application was submitted; or

iii. Applications, ASBA Account number or the UPI ID (for RIIs who make the payment of Application Amount through the UPI mechanism) linked to the ASBA Account where the Application Amount was blocked in which the amount equivalent to the Application Amount was blocked.

iv. For further details, Applicants may refer to the Prospectus and the Application Form.

## **B. INSTRUCTIONS FOR FILLING THE REVISION FORM**

a.) During the Issue Period, any Applicants (other than QIBs and NIIs, who can only revise their Application amount upwards) who has registered his or her interest in the Equity Shares for a particular number of shares is free to revise number of shares applied using revision forms available separately.

b.) RII may revise / withdraw their Application till closure of the Issue period.

c.) Revisions can be made only in the desired number of Equity Shares by using the Revision Form.

d.) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the SCSB through which such Applicant had made the original Application. It is clarified that RIIs whose original Application is made using the UPI mechanism, can make revision(s) to their Application using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. Applicants are advised to retain copies of the blank Revision Form and the Application(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:

<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXX	Application Form No. _____
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>
		Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE/FIRST APPLICANT</b>
		_____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> NSDL _____    CDSL _____
		For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION  **PHYSICAL**

4. FROM (as per last Application or Revision)														
Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)							Price per Equity Share (₹) [-] (In Figures)						"Cut-off" (Please tick)
	7	6	5	4	3	2	1	4	3	2	1	4	3	
Option 1 (OR) Option 2 (OR) Option 3	<del>ORIGINAL APPLICATION</del>							<del>ORIGINAL APPLICATION</del>						<input checked="" type="checkbox"/>

5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")														
Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share) (In Figures)							Price per Equity Share (₹) [-] (In Figures)						"Cut-off" (Please tick)
	7	6	5	4	3	2	1	4	3	2	1	4	3	
Option 1 (OR) Option 2 (OR) Option 3	<del>REVISED APPLICATION</del>							<del>REVISED APPLICATION</del>						<input checked="" type="checkbox"/>

<b>6. PAYMENT DETAILS</b>	<b>PAYMENT OPTION : Full Payment</b>
Additional Amount Blocked (₹ in Figures) _____ (₹ in words) _____	
ASBA Bank A/c No. _____	
Bank Name & Branch _____	
OR UPI Id _____ (Maximum 45 characters)	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF

<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue	
	1) _____	
	2) _____	
	3) _____	

----- TEAR HERE -----

<b>LOGO</b>	<b>XYZ LIMITED</b> REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No. _____
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DPID / CLID _____	PAN _____	<b>Stamp &amp; Signature of SCSB Branch</b>
Additional Amount Blocked (₹ in figures) _____	ASBA Bank & Branch _____	
ASBA Bank A/c No./UPI Id _____		
Received from Mr./Ms. _____		
Telephone / Mobile _____	Email _____	

----- TEAR HERE -----

<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - R</b>	Option 1    Option 2    Option 3	<b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b>
No. of Equity Shares _____	<del>_____</del>		_____
Issue Price _____	<del>_____</del>		<b>Acknowledgment Slip for Applicant</b>
Additional Amount Blocked (₹) _____	<del>_____</del>		Application Form No. _____
ASBA Bank A/c No. / UPI Id: _____			
Bank & Branch: _____			

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

<b>LOGO</b>	TO, THE BOARD OF DIRECTORS XYZ LIMITED	<b>FIXED PRICE SME ISSUE</b> ISIN : XXXXXXX	Application Form No. _____
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<b>SYNDICATE MEMBER'S STAMP &amp; CODE</b>	<b>BROKER/SCSB/CDP/RTA STAMP &amp; CODE</b>	<b>1. NAME &amp; CONTACT DETAILS OF SOLE/FIRST APPLICANT</b>
		Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____
<b>SUB-BROKER'S / SUB-AGENT'S STAMP &amp; CODE</b>	<b>SCSB BRANCH STAMP &amp; CODE</b>	<b>2. PAN OF SOLE/FIRST APPLICANT</b>
		_____
<b>BANK BRANCH SERIAL NO.</b>	<b>SCSB SERIAL NO.</b>	<b>3. INVESTOR'S DEPOSITORY ACCOUNT DETAILS</b> NSDL <input type="checkbox"/> CDSL <input type="checkbox"/>
		For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY APPLICATION  PHYSICAL

4. FROM (as per last Application or Revision)		Price per Equity Share (₹) [•]															
Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share)	(In Figures)															
	(In Figures)	Issue Price			Discount, if any			Net Price			"Cut-off" (Please tick)						
Option 1	ORIGINAL APPLICATION	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	<input type="checkbox"/>
(OR) Option 2	<del>ORIGINAL APPLICATION</del>	<del>7</del>	<del>6</del>	<del>5</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del><input type="checkbox"/></del>
(OR) Option 3	<del>ORIGINAL APPLICATION</del>	<del>7</del>	<del>6</del>	<del>5</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del><input type="checkbox"/></del>

5. TO (Revised Application) (Only Retail Individual Investor can apply at "Cut-Off")		Price per Equity Share (₹) [•]															
Options	No. of Equity Shares Application (Application must be in multiples of [•] Equity Share)	(In Figures)															
	(In Figures)	Issue Price			Discount, if any			Net Price			"Cut-off" (Please tick)						
Option 1	REVISED APPLICATION	7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	<input type="checkbox"/>
(OR) Option 2	<del>REVISED APPLICATION</del>	<del>7</del>	<del>6</del>	<del>5</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del><input type="checkbox"/></del>
(OR) Option 3	<del>REVISED APPLICATION</del>	<del>7</del>	<del>6</del>	<del>5</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del>4</del>	<del>3</del>	<del>2</del>	<del>1</del>	<del><input type="checkbox"/></del>

<b>6. PAYMENT DETAILS</b>		<b>PAYMENT OPTION : Full Payment</b>
Additional Amount Blocked (₹ in Figures)	_____	(₹ in words) _____
ASBA Bank A/c No.	_____	
Bank Name & Branch	_____	
OR	_____	
UPI Id	_____	
(Maximum 45 characters)	_____	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY), HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN THE PUBLIC ISSUE ("GID") AND HEREBY AGREE AND CONFIRM THE "INVESTOR UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE REVISION FORM GIVEN OVERLEAF.

<b>7A. SIGNATURE OF SOLE / FIRST APPLICANT</b>	<b>7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b>	<b>SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Application in Stock Exchange System)</b>
Date: _____, 2019	I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____	

-----TEAR HERE-----

<b>LOGO</b>	<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>	Acknowledgement Slip for SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA	Application Form No. _____
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DPID / CLID	_____	PAN	_____
Additional Amount Blocked (₹ in figures)	_____	ASBA Bank & Branch	_____
ASBA Bank A/c No./UPI Id	_____		
Received from Mr./Ms.	_____		
Telephone / Mobile	_____	Email	_____

Stamp & Signature of SCSB Branch

-----TEAR HERE-----

<b>XYZ LIMITED REVISION FORM - INITIAL PUBLIC ISSUE - NR</b>		Option 1	Option 2	Option 3	<b>Stamp &amp; Signature of SYNDICATE MEMBER / REGISTERED BROKER / SCSB / DP / RTA</b>	<b>Name of Sole / First Applicant</b>
	No. of Equity Shares					
	Issue Price					
	Additional Amount Blocked (₹)					
	ASBA Bank A/c No. / UPI Id:	_____				
Bank & Branch:	_____					
<b>Acknowledgment Slip for Applicant</b>						
Application Form No. _____						

Important Note: Application made using third party UPI Id or ASBA Bank A/c are liable to be rejected.

## **11. FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT**

Applicants should refer to instructions contained in paragraphs 1, 2 and 3 above under the heading “Instructions for Filling the Application Form”.

## **12. FIELDS 4 AND 5: APPLICATION OPTIONS REVISION ‘FROM’ AND ‘TO’**

- a.) Apart from mentioning the revised number of shares in the Revision Form, the Applicants must also mention the details of shares applied for given in his or her Application Form or earlier Revision Form. For example, if Applicant has applied for [•] equity shares in the Application Form and such applicant is changing number of shares applied for in the Revision Form, the applicant must fill the details of [•] equity shares, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Form.
- b.) In case of revision, applicants’ options should be provided by applicants in the same order as provided in the Application Form.
- c.) In case of revision of Applicants by Retail Individual Investors and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, Subsequent to revision, does not exceed ₹ 200,000. In case the Application Amount exceeds ₹ 200,000 due to revision of the Application or for any other reason, the Application may be considered, subject to eligibility, for allocation under the Non-Institutional Category or if it is at the Cut-off Price, then such Application may be rejected. The Cut-off Price option is given only to the Retail Individual Investors and Retail Individual Shareholders indicating their agreement to apply for and purchase the Equity Shares at the Issue Price.
- d.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application will be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the RII does not either revise the Application or make additional payment and the Issue Price is higher than the price disclosed in the Prospectus, 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 RII and the RII is deemed to have approved such revised application at Cut-off Price.
- e.) In case of a downward revision in the Price, RIIs who have applied at the Cut-off Price could either revise their application or the excess amount paid at the time of application may be unblocked in case of applicants.

## **13. PAYMENT DETAILS**

- a.) All Applicants are required to make payment of the full Application Amount along with the Application Revision Form.
- b.) Applicant may Issue instructions to block the revised amount based on the revised Price in the ASBA Account of the UPI Linked Bank Account, to the same Designated Intermediary through whom such applicant had placed the original application to enable the relevant SCSB to block the additional Application Amount, if any.
- c.) In case the total amount (i.e., original Application Amount plus additional payment) exceeds ₹ 200,000, the Application may be considered for allocation under the Non-Institutional Category in terms of the Prospectus. If, however, the Applicant does not either revise the application or make additional payment and the Price is higher than Issue price disclosed in the Prospectus prior to the revision, the number of Equity Shares applied for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the applicant is deemed to have approved such revised application at the Cut-off Price.
- d.) In case of a downward revision in the Price, RIIs and Retail Individual Shareholders, who have applied at the Cut-off Price, could either revise their application or the excess amount paid at the time of application may be unblocked.

## **14. FIELD NUMBER 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 9 above under the heading “Instructions for Filling the Application Form” for this purpose.

#### **APPLICANT’S DEPOSITORY ACCOUNT AND BANK DETAILS**

*Please note that, providing bank account details or UPI ID in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.*

*Please note that, furnishing the details of depository account is mandatory and applications without depository account shall be treated as incomplete and rejected.*

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code, occupation (hereinafter referred to as ‘Demographic Details’) or UPI ID (in case of Retail Individual Investors). These Bank Account or UPI ID details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **PAYMENT BY STOCK INVEST**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **OTHER INSTRUCTIONS**

##### **JOINT APPLICATIONS IN THE CASE OF INDIVIDUALS**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

##### **MULTIPLE APPLICATIONS**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- I. All applications are electronically strung on first name, address (1<sup>st</sup> line) and applicant’s status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband’s name to determine if they are multiple applications
- II. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.



III. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 (Twenty) valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application or Application through UPI Mechanism either in physical or electronic mode, an Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected.

An investor making application using any of channels under UPI Payments Mechanism, shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in public issues. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **PERMANENT ACCOUNT NUMBER OR PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the Income Tax Act, 1961. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the General Index Registration (“GIR”) number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB’s in the ASBA system, without any fault on the part of Applicant.**

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

## GROUNDS FOR REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and not firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of [•];
- Category not ticked;
- Multiple Applications as defined in the Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations for "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account, UPI ID and/or Depositories Account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges;
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
- Submission of Application Form(s) using third party ASBA Bank Account;
- Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries;
- In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third party bank account;
- The UPI Mandate is not approved by Retail Individual Investor; and
- The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and *vice versa*.

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.

#### DESIGNATED DATE AND ALLOTMENT

- a) Our Company will ensure that the Allotment and credit to the successful Applicants' depository account will be completed within four 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.

#### EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. a tripartite agreement dated April 08, 2022 with NSDL, our Company and Registrar to the Issue;
  - b. a tripartite agreement dated March 30, 2022 with CDSL, our Company and Registrar to the Issue;
  - c. The Company's shares bear an ISIN: INE0MJQ01012
- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
  - b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
  - c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
  - d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
  - e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
  - f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
  - g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
  - h) The trading of the Equity Shares of our Company would be only in dematerialized form.

#### COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc. at below mentioned addresses;**

<p><b>Chander Bhan Gupta</b>  Plot No. C-94, Phase-VII Industrial Focal Point,  S.A.S Nagar, Mohali-160055  <b>Telephone:</b> +91 9878723399  <b>E-mail:</b> compliance.pecl@pritikagroup.com</p>	<p><b>To the Registrar to the Issue</b>  <b>Satellite Corporate Services Pvt Limited</b>  A 106 &amp; 107Dattani Plaza, East West Compound,  Andheri Kurla Road, Safed Pul, Sakinaka, Mumbai,  Maharashtra – 400072  <b>Contact Person :</b> Michael Norbert Monteiro  <b>Tel:</b> + 022-28520461  <b>Fax:</b> NA  <b>Email:</b> sme.ipo@satellitecorporate.com  <b>Investor grievance e-mail:</b>  sme.ipo@satellitecorporate.com  <b>Website:</b> www.satellitecorporate.com  <b>SEBI Registration No. :</b> INR000003639</p>
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## DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, instructions to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within one working day of the date of Allotment of Equity Shares.

The Company shall make best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at Emerge Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (six) working days of closure of the issue.

## IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of section 38(1) of the Companies Act, 2013 which is reproduced below:

- a) **‘Any person who: 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 of Companies Act, 2013 and shall be treated as Fraud.**

*Section 447 of the Companies Act, 2013, is reproduced as below:*

*Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:*

*Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.*

*Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to twenty lakh rupees or with both.*

## BASIS OF ALLOTMENT

Allotment will be made in consultation with NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [ $\bullet$ ]equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [ $\bullet$ ]equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [ $\bullet$ ]equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [ $\bullet$ ] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.
6. 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) (Amendment) 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 Equity Shares applied for;

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

**Explanation:** If the retail individual investor category is entitled to more than fifty per cent of the net issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “BASIS OF ALLOTMENT”.

“Retail Individual Investor” means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the SME Platform of NSE .

## **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriter shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Emerge Platform of NSE – the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

#### **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.

#### **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 Offer Document except in case of oversubscription 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.

#### **UNDERTAKING BY OUR COMPANY**

Our Company undertakes the following:

1. that the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds/unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or till the application monies are refunded on account of non-listing, under subscription etc.
6. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
7. Adequate arrangements shall be made to collect all Application forms.

## **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested;
- 4) Our Company shall comply with the requirements of section SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to section 177 of the Company's Act, 2013 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue respectively;
- 5) Our Company shall not have recourse to utilize the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. In terms of FDI Policy, FDI to an extent of 51% is allowed in multi brand retail trading with government approval. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy and the FEMA Non-Debt Rules, foreign direct investment is not permitted in companies engaged in (a) multi-brand retail trading, undertaking retail trading by means of e-commerce, and (b) inventory-based model of e-commerce. In accordance with the FEMA Non-debt Rules, participation by non-residents in the Issue is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Rules, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding the sectoral cap i.e. 51% of the post issue paid up share capital; and (ii) Eligible NRIs applying only on a non-repatriation basis under Schedule IV of the FEMA Non-debt Rules. Further, other non-residents applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this issue. See “*Issue Procedure*” beginning on page 185.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Consolidated FDI Policy will be valid until the DPIIT issues an updated circular and shall be subject to FEMA Rules.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-debt Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See “*Issue Procedure*” beginning on page 185.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-debt Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Non-debt Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry



of Finance, Government of India has also made a similar amendment to the FEMA Non-Debt Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Issue Period.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those Issues and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. The above information is given for the benefit of the Applicants. Our Company and the 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 that the Applications are not in violation of laws or regulations applicable to them.**

**SECTION IX - DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT, 2013**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**Pritika Engineering Components Limited**

**Interpretation:**

- I. (1) In these regulations
- a) “the Act” means the Companies Act, 2013.
  - b) “the seal” means the common seal of the company.
  - c) “The Company” means the Pritika Engineering Components Limited.
  - d) “The Director” means the Director appointed to the Board of a company.
  - e) “The Board of Directors” or “The Board” in relation to a Company means the collective body of the directors of the company.
  - f) “The Managing Director” means a Director who, by virtue of the Articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its board of directors, is interested with substantial power of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.
  - g) “Register” means the Register of Members to be kept pursuant to Section 88 of the Act or any other law as may be applicable.
  - h) “The Registrar” means the Registrar of Companies, Punjab. “Dividend” includes any interim Dividend.
    - a. “Seal” means the Company seal of the company.
    - b. “Proxy” includes Attorney duly constituted under a Power of Attorney.
    - c. “Depository” means a depository as defined in clause (e) of sub-section (1) of section 2 of the Depositories Act, 1996.
2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
3. Definition of Public company  
The Company is a Public Company within the meaning of Section 2(71) of the Companies Act, 2013 and accordingly:-  
public company means a company which
- (a) is not a private company;
  - (b) has a minimum paid-up share capital as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

d.) **Share Capital and variation of rights**

a. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

b. (1) 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-

1. one certificate for all his shares without payment of any charges; or
2. 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.

iv. Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two Directors or by a director and the company secretary, wherever the company has appointed a company secretary:

Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate.

c. (1) 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 without payment of any charges.

(2) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

(3) Every member shall be entitled, if the directors so approve, to several certificates, each for one or more of such shares registered in his name, and the company shall complete and ready for delivery such certificates within one month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its certificate as the case may be. Every certificate shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid thereon and shall be in such form as the directors may prescribe or approve.

4. 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.

5. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate percent 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 thereunder.
  - i. 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.
  - ii. 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.
6.
  - i. If at any time the share capital is divided into different classes of shares, the rights attached to any 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 people holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

**Capital and alteration of capital.**

8. The Authorized Share Capital of the Company will be as may be specified under clause V of the Memorandum of Association of the Company.
9. 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.
10. Subject to the provisions of section 61, the Company may, by ordinary resolution-
  - a. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - b. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - c. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - d. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
11. 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.

#### **Issue of Preference Shares**

- 12. 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.

#### **Shares under the control of the Directors**

- 13. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

#### **Power of General Meeting to offer shares to such persons as the Company may resolve**

- 14. In addition to and without derogating from the powers for that purpose conferred on the Directors under Article 8, the Company in general meeting may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) in such proportions and on such terms and conditions and either at a premium or at par or, subject to compliance with the provisions of this Act, as such general meeting shall determine and with full power to give to any person (whether a member or holder of debentures of the Company or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par or at such times and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares. Subject to any direction given by general meeting as aforesaid, the provisions of section 62 of the Act.

#### **Directors may allot shares as fully paid.**

- 15. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares, and if so issued, shall be deemed to be fully paid-up shares.

## **Voting Rights**

16. 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.
17. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
18. (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.
  - a. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
19. 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.
20. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
21. 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.
22. (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.

## **Register and Index of Members**

23. The Company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in material and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

## **Shares to be numbered progressively and no share to be sub-divided**

24. The Shares in the capital of the Company shall be numbered progressively according to their several denominations, and no share shall be sub-divided; Provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized in future or issued in future in dematerialized form. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

### **Dematerialization of Securities**

25. (1) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the Depositories and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.

### **Options for Investors**

- (2) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates of securities.

If a person opts to hold his securities with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security. Securities in Depositories to be in fungible form.

- (3) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Section 89 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

### **Rights of depositories and Beneficial Owners**

- (4) (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) 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 the rights and benefits and shall be subject to all the liabilities in respect of his securities, which are held by a depository.

- (5) Service of Documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

### **Transfer of Securities**

- (6) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

### **Allotment of Securities dealt with in a Depository.**

- (7) Notwithstanding anything in the Act or these Articles, where a depository deals with securities, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

### **Distinctive numbers of securities held in a depository.**

- (8) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

### **Register and Index of beneficial owners.**

- (9) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and security holders for the purposes of these Articles.

## **26. Acceptance of Shares**

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a Member.

### **Calls on Shares**

27. (1) 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.
- (2) 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.
- (3) A call may be revoked or postponed at the discretion of the Board.
28. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.
29. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
30. (1) 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.
- (2) The Board shall be at liberty to waive payment of any such interest wholly or in part.
31. (1) 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.
- (2) 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.



32. The Board-
- (1) 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
  - (2) 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.

#### **Commission for placing Shares, debentures etc**

33. 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. 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.

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.

#### **Forfeiture of Shares**

34. 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.
35. 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.
36. 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.
37. (1) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
- (2) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
38. (1) 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.
- (2) 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,
39. (1) 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.

- (2) 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.
  - (3) The transferee shall thereupon be registered as the holder of the share.
  - (4) 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.
40. The provisions of these regulations as to forfeiture shall apply in the case of non-payment 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.

### **Lien**

41. (1) 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 directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (2) 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.
  - (3) 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.
  - c. 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.
  - d. 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.
42. (1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

- (2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (3) 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.

### **Transfer of Shares**

- 43. (1) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
  - a. 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.
- 44. (1) 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.
 (2) The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever.
- 45. 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.
- 46. 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

### **Transmission of shares**

- 47. (1) 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.
 (2) 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.
- 48. (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time 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.
- (2) 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.
49. (1) 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 selects.
- (2) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (3) 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.
50. 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.

#### **Buy Back of Shares**

51. 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.

#### **Reduction of Capital**

52. 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

#### **Power to modify class rights**

53. (1) 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.

- (2) 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.
54. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *paripassu* therewith.
55. 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.

#### **Power to borrow**

56. Subject to the provisions of the Act and these Articles and without prejudice to the other powers conferred by these Articles the Directors shall have the power from time to time at their discretion to borrow any sum or sums of money for the purpose of the Company provided that the total amount borrowed at any time together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.

#### **Conditions on which money may be borrowed**

57. Subject to the provisions of the Act and these Articles the Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.

#### **Bonds, debentures etc. to be subject to control of Directors**

58. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

#### **Securities may be assignable free from equities.**

59. Debentures, debenture-stock, bonds or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

#### **Mortgage of uncalled capital**

60. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or if permitted by the Act by instrument under the Seal authorise the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and

either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.

### **Indemnity may be given**

61. Subject to the provisions of the Act and these Articles, if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

### **Meetings**

#### **Annual General Meeting**

62. (1) Every company other than one person company shall in each year hold in addition to any other meeting, a general meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of a company and that of the next.

**Provided that** in case of a first annual general meeting it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case, within period of six months, from the closing of the financial year.

**Provided that** if a company holds its first annual general meeting as aforesaid, it shall not be necessary for the company to hold any annual general meeting in the year of its incorporation.

**Provided that** the Registrar may, for any special reason, extend the time within which any annual general meeting, other than the first annual general meeting, shall be held, by period not exceeding three months

- (2) Every Annual General Meeting shall be called for a time during business hours and on such day (not being national holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situate. The Notice calling the meeting shall specify it as the Annual General Meeting.

#### **Extraordinary General Meeting**

63. All the General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

#### **Directors may call Extraordinary General Meeting.**

The Board of Directors may call an Extraordinary General Meeting whenever they think fit.

#### **Calling of Extraordinary General Meeting on requisition**

64. (1) The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid-up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 100 of the Act (including the provisions below) shall be applicable.

- (2) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitioner, and shall be deposited at the registered office of the Company.
- (3) The requisition may consist of several documents in like form, each signed by one or more requisitioner.
- (4) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (1) above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that sub clause is fulfilled.
- (5) If the Board of Directors does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of deposit of the requisition, the meeting may be called by the requisitioner themselves or by such of the requisitioner as represents either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in sub-clause (1) above whichever is less.
- (6) A meeting called under sub-clause (5) above by the requisitioner or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but shall not be held after the expiration of three months from the date of the deposit of the requisition.
- (7) Any reasonable expenses incurred by the requisitioner by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitioner by the Company; and any sum so repaid shall be retained by the Company out of any sum due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

#### **Notice of Meeting**

65. (1) A General Meeting of the Company may be called by giving not less than 21 days' notice in writing or through electronic mode.
  - a. However, a General Meeting may be called after giving shorter notice than 21 days, if the consent is accorded thereto in writing or electronic mode by not less than ninety-five percent of the members entitled to vote at such meeting.

Provided that where any members of the Company are entitled to vote only on some Resolution or Resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purpose of this sub-clause in respect of the former Resolution or Resolutions but not in respect of the latter.

#### **Contents of Notice**

66. (1) Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting, and shall contain a statement of the business to be transacted thereat.
- (2) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member of the Company.

## **Special Business**

67. (1) In the case of an Annual General Meeting all business to be transacted at the meeting shall be deemed special, with the exception of business relating to:-
- a. the consideration of the financial statements and the Report of the Board of Directors and of the Auditors;
  - a. the declaration of dividend;
  - b. the appointment of Directors in the place of those retiring;
  - c. the appointment of and the fixing of the remuneration of the Auditors;
- vi. In the case of any other meeting all business shall be deemed special.
- vii. Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out of all material facts concerning each such item of business including in particular, the nature of the concern or interest, if any, therein of every Director.
- Provided, however, that where any item of special business as aforesaid to be transacted at a meeting of the Company relates to, or affects, any other company, the extent of shareholding interest in that other company of every Director of the Company shall also be set out in the Explanatory Statement, if the extent of such shareholding interest is not less than two (per cent of the paid-up share capital of that other company).
- viii. Where any item of business to be transacted at the meeting of the Company consists of according the approval of the meeting to any document, the time and place where the document can be inspected shall be specified in the explanatory statement.

## **Service of Notice**

68. Notice of every meeting shall be given to every member of the Company in any manner authorised by Section 20 of the Act and these Articles.

## **Notice to be given to the Auditors**

69. Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in any manner authorised by Section 20 in the case of any member or members of the Company.

## **Act to omission to give notice**

70. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.

## **Resolutions requiring special notice**

71. (1) Where, by any provision contained in the Act or in these Articles special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one percent of total voting powers or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid up and the company shall give its members notice of the resolution in such manner as may be prescribed.



### **Annual Summary**

72. The Directors shall prepare the annual list of members and summary and forward the same to the Registrar of Companies, in accordance with Section 92 of the Act.

### **Proceedings at General Meetings**

73. (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (2) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
74. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
75. 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.
76. 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.

### **Business at Adjourned meeting**

77. (1) 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.
- (2) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (3) 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.
- (4) 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.

### **Evidence of the passing of a resolution where poll not demanded**

78. At any General Meeting, a resolution put to the vote of the meeting shall unless a poll is demanded, be decided on a show of hands. A declaration by the Chairman that on a show of hands a resolution has or has not been carried, or has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

### **Demand for poll**

79. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the Resolution not being less than one-tenth of the total voting power in respect of the Resolution, or on which an aggregate sum of not less than five lakhs rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

### **Time and manner of taking poll**

80. A poll demanded on any question (other than the election of the Chairman or on the question of adjournment which shall be taken forthwith) shall be taken at such place and at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct. Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

### **Scrutinizers at poll**

81. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizers arising from such removal or from any other cause. Of the two scrutinizers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.

### **Demand for poll not to prevent transaction of other business**

82. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

### **Motion how decided in case of equality of votes**

83. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

### **Reports, Statements and Registers to be laid on the table**

84. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and audited Statement of Accounts, Auditors' Report (if not already incorporated in the audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' and Key Managerial Personnel maintained under Section 170 of the Act. The Auditors' Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

### **Registration of certain resolutions and agreements**

85. A copy of each of the following Resolutions (together with a copy of the Statement of material facts annexed under Section 102 to the notice of the meeting in which such Resolution has been passed) or Agreements shall, within thirty days after the passing or making thereof, be printed or typewritten and duly certified under the signature of an Officer of the Company and filed with the Registrar:
- a. Special Resolutions;
  - b. Resolutions which have been agreed to by all the members of the Company but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;
  - c. Resolution of the Board or Agreement relating to the appointment, re-appointment or the renewal of the appointment or variations of the terms of appointment of a Managing Director;

- d. Resolutions or agreements which have been agreed to by all members of any class of shareholders but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by some particular majority or otherwise in some particular manner; and all resolutions or agreements which effectively bind all the members of any class of shareholders though not agreed to by all those members;
- e. Resolutions requiring the Company to be wound up voluntarily passed in pursuance of Section 304 of the Act;
- f. Resolutions passed by the Company according consent on the exercise by its Board of Directors of any of the powers under Section 180 of the Act; and
- g. Resolutions passed by the Company in pursuance of sub-section (3) of section 179
- h. Any other resolution or agreement as may be prescribed and placed in the public domain.

A copy of every Resolution which has the effect of altering the Memorandum and Articles of Association of the Company and a copy of every Agreement referred to in the above items (c) and (d) shall be embodied in and annexed to every copy of the Articles issued after the passing of the Resolution or the making of the Agreement.

#### **Minutes of General Meetings**

- 86. The Company shall cause Minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of Sections 118 and 120 of the Act by making within thirty days of the conclusion of every such meeting concerned entries thereof in Books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 days or in the event of death or inability of the Chairman within that period, by a Director duly authorised by the Board for that purpose. The Company shall observe Secretarial Standards with respect to general meeting. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

#### **Inspection of Minute Books of General Meeting**

- 87. The book containing the aforesaid minutes shall be kept at the Registered Office and be open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Company may by these Articles or in General Meeting impose in accordance with Sections 119 and 120 of the Act. Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of the minutes on payment of such amount for such number of words required to be copied as may be prescribed by the Government from time to time.

#### **Publication of reports of proceedings of General Meetings**

- 88. No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

### **Votes may be given by Proxy or Attorney**

89. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 112 and 113 of the Act.

### **Number of votes to which members entitled**

90. (1) Subject to the provisions of the Act and these Articles, upon a show of hands, every member entitled to vote and present in person (including body corporate present by a representative duly authorised in accordance with the provisions of Sections 112 and 113 of the Act) shall have one vote.
- (2) Subject to the provisions of the Act and these Articles, upon a poll every member entitled to vote and present in person (including a body corporate present as aforesaid) or by attorney or by proxy shall be entitled to vote and shall have the following voting rights
- i. In respect of every ordinary share his voting right shall be in the same proportion as the capital paid up on such ordinary shares bears to the total paid up equity capital of the company;
  - ii. In respect of every fully paid preference share his voting right shall be as provided in the Act.

### **No voting by proxy on show of hands**

91. No member not personally present shall be entitled to vote on a show of hands unless such member is present by attorney or unless such member is a body corporate present by a representative duly authorised under Sections 112 and 113 of the Act or by a proxy in which case such attorney or representative or proxy may vote on a show of hands as if he were a member of the Company.

### **Votes in respect of shares of deceased, insolvent members**

92. Any person entitled under the Transmission Clause to transfer any shares may vote at any General Meeting in respect thereof as if he was the registered holder of such shares provided that at least 48 hours before the time of the holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

### **No member to vote unless call is paid up**

93. Subject to provisions of the Act no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney or as a proxy or attorney for any other member or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

### **Right of member to use his vote differently**

94. On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy or any other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

## **Proxies**

95. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting.

## **Appointment of Proxy**

96. Every proxy shall be appointed by an instrument in writing signed by the appointer or his attorney duly authorised in writing, in the form as prescribed in the rules made under section 105, or, if the appointer is a body corporate, be under its Seal or be signed by an officer or an attorney duly authorised by it.

## **Deposit of instrument of appointment**

97. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or under its seal thereof shall be deposited at the office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of the adjournment of any meeting first held previously to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or notarially certified copy thereof has either been in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than fortyeight hours before the time fixed for such meeting aforesaid.

Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney given at least fourteen days before the meeting require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty-eight hours before the time fixed for the meeting the attorney shall not be entitled to vote at such meeting unless the Directors in their absolute discretion excuse such nonproduction and deposit.

## **Inspection of proxies**

98. Every member entitled to vote at the meeting of the Company according to the provisions of these Articles on any Resolution to be moved thereat shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so to inspect is given to the Company.

## **Custody of the instrument**

99. If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

### **Validity of votes given by proxy notwithstanding death of member etc**

100. A vote given in accordance with the terms of an instrument of proxy or by an attorney shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the power of attorney as the case may be or of the power of attorney under which such proxy was signed or the transfer of the share in respect which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the office before the meeting.

### **Time for objections to votes**

101. Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

### **Chairman of any meeting to be the judge of validity of any vote**

102. Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting, and subject as aforesaid, the Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

### **Directors**

103. Until otherwise determined by a General Meeting the number of Directors shall not be less than three or more than fifteen.

#### **First Directors**

The first Directors of the Company on incorporation were -

- 1. Shri Raminder Singh Nibber**
- 2. Shri Harpreet Singh Nibber**

### **Debenture Director**

104. Any trust deed for securing debentures or debenture stock may, if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of the debentures or debenture stocks of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture stock from time to time to remove any Director so appointed. The Director appointed under this Article is herein referred to as the "Debenture Director", and the term Debenture Director means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or subject to the provisions of the Act be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

### **Appointment of Alternate Director**

105. Subject to provisions of the Act the Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called "the original Director") during his absence for a period of not less than three months from India in which meetings of the Board are ordinarily held, and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not

hold office for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held. If the term of office of the original Director is determined before he so returns to the State in which meetings of the Board are ordinarily held, any provision in the Act or in these Articles for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original Director and not to the Alternate Director.

#### **Casual vacancy**

106. Subject to provisions of Sections 161(4) and other applicable provisions (if any) of the Act, any casual vacancy occurring in the office of a Director, whose period of office is liable to determination by retirement by rotation may be filled up by the Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office, if the vacancy had not occurred.

#### **Appointment of Additional Director**

107. Subject to provisions of Section 161 and other applicable provisions (if any) of the Act, the Directors shall have powers at any time and from time to time to appoint a person as an Additional Director. The Additional Director shall retire from office at the next following Annual General Meeting, but shall be eligible for re-election.

#### **Remuneration of Directors**

108. (1) Subject to the provisions of the Act, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (2) The fee payable to a Director for attending a meeting of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the ceiling, if any, prescribed by the Act or the Central Government from time to time.

#### **Travelling expenses incurred by Director not a bona fide resident or by Director going out on Company's business**

109. The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the Board are usually held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses incurred in connection with business of the Company.

#### **Directors may act notwithstanding vacancy**

110. The continuing Directors may act notwithstanding any vacancy in their body; but so that subject to the provisions of the Act if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purpose of filling up vacancies or for summoning a General Meeting of the Company or in emergencies.

#### **When office of Director shall become vacant**

111. (1) Subject to the provisions of Section 167 of the Act the office of a Director shall become vacant if :

- a. he incurs any of the disqualifications specified in section 164;
- b. he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- c. he acts in contravention of the provisions of section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- d. he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184;
- e. he becomes disqualified by an order of a court or the Tribunal;
- f. he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months:  
  
Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;
- g. he is removed in pursuance of the provisions of this Act;
- h. he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company.

### **Resignation**

- (2) Subject to the provisions of the Act a Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.

Provided that the director shall also forward a copy of his resignation along with detail reason for the resignation to the registrar within thirty days of the resignation in such manner as may be prescribed.

### **Disclosure of interest**

- (3) Every director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors.
- (4) In a case of a proposed contract or arrangement, the disclosure required to be made by a Director at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting.

### **General notice of Interest**

- (5) For the purpose of this Article, a general notice given to the Board of Directors by a Director to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may after the date of the notice be entered into with that body corporate or firm shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further periods of one financial year at a time by a fresh notice given in the last month



of the financial year in which it would have otherwise expired. The general notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Director concerned shall take reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

#### **Register of Contracts in which Directors are interested**

112. (1) The Company shall keep one or more Registers under section 189 of the Act in which shall be entered separately particulars of all contracts or arrangements of Directors and Key Managerial Personnel to which Section 184 and Section 188 of the Act applies, including the particulars to the extent they are applicable in each case.
- (2) The Register aforesaid shall be kept at the registered office of the Company and shall be open during business hours to the inspection of any member and extracts may be taken therefrom and copies thereof may be required by any member of the Company shall be furnished by the Company to such extent, in such manner and on payment of such fees as may be prescribed.
- (3) The signed register also to be produced at the commencement of every Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

#### **Loans to Directors**

113. The Company shall observe the restrictions imposed on the Company in regard to grant of loans to Directors and other persons as provided in Section 185 and other applicable provisions of the Act.

#### **Retirement by rotation**

114. (1) Not less than two-thirds of the total number of Directors of the Company shall be persons whose period office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting.
- (2) The remaining Directors shall be appointed in accordance with the provisions of these Articles and the Act.

#### **Directors to retire annually how determined**

115. At the Annual General Meeting in each year one-third of the Directors for the time being shall be liable to retire by rotation or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

#### **Ascertainment of Directors retiring by rotation**

116. Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lots. Subject to the provisions of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his re-appointment is decided or his successor is appointed.

#### **Eligibility for re-appointment**

117. Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment.

### **Company to fill up vacancy**

118. Subject to the provisions of Section 152 and other applicable provisions (if any) of the Act and these Articles, the Company at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

### **Provisions in default of appointment**

119. (1) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday till the next succeeding day which is not a national holiday, at the same time and place.
- (2) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless
- a. at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
  - b. the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
  - c. he is not qualified or is disqualified for appointment;
  - d. a resolution whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act;
  - e. Section 162 of the Act is applicable to the case.

### **Notice of candidature for office of Director**

120. (1) Subject to the provisions of the Act and these Articles any person who is not a retiring director shall be eligible for appointment to the office of director at any general meeting if he or some member intending to propose him has at least fourteen clear days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or, as the case may be, to such member, if the person succeeds in getting elected as a Director. The Company shall duly comply with the provisions of Section 160 of the Act for informing its members of the candidature of the Directors concerned.
- (2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 signifying his candidature for the office of a Director) proposed as a candidate for the office of a director shall sign and file with the Company his consent in writing to act as Director, if appointed.
- (3) Every person other than
- a. a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or
  - b. an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or

- c. re-appointed as an Additional or Alternate Director, immediately on the expiry of his term of office, or
- d. a person named as a Director of the Company under its Articles as first registered, shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.

Provided that in the case of appointment of an Independent Director in the General Meeting an explanatory statement for such appointment annexed to the notice for the general meeting, shall include a statement that in the opinion of the Board, he fulfils the conditions specified in the Act for such an appointment.

#### **Individual resolution for Directors' appointments**

121. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void whether or not objection was taken at the time to its being so moved; Provided that where a resolution so moved is passed, no provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

#### **Removal of Directors**

122. (1) The Company may (subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles) remove any Director before the expiry of his period of office.
- (2) Special notice as provided by Article 67 or Section 115 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- (3) On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- (4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to members of the Company state the fact of the representations being made, and (b) send a copy of the representations to every member of the Company, and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting; Provided that copies of the representations need not be sent or read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub clause are being abused to secure needless publicity for defamatory matter.
- (5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board in pursuance of Article

102 or Section 161 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed; Provided a special notice of the intended appointment has been given under the sub-clause (2) hereof. A Director so appointed shall hold office until the date up to which his predecessor would have held office if he had not been removed as aforesaid.

- (6) If the vacancy is not filled under sub-clause (5), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable, of Article 102 or Section 161 of the Act and the provisions of that Section shall apply accordingly.
- (7) A Director who was removed from office under this Article shall not be reappointed as a Director by the Board of Directors.
- (8) Nothing contained in this article shall be taken:
  - a. as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as director or of any appointment terminating with that as Director; or
  - b. as derogating from any power to remove a Director which may exist apart from this Article.

**The Company may increase or reduce number of Directors and alter their qualification.**

123. Subject to the provisions of the Act and these Articles, the Company may by passing Special Resolution from time to time increase or reduce the number of Directors and alter their qualification.

**Meetings of Directors**

124. The Directors may meet together as a Board for the dispatch of business from time to time. Minimum number of four meetings shall hold every year in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings. They may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that a meeting of the board which had been called in compliance with the terms herein mentioned could not be held for want of quorum.

A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

**When meetings to be convened, and notice thereof**

125. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or electronic means.

**Quorum**

126. Subject to the provisions of Section 174 and other applicable provisions (if any) of the Act, the quorum for a meeting of the Board of Directors shall be one-third of the total strength of the Board of Directors (excluding Directors whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher; Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of Directors who are not interested and are present at the meeting, not being less than two, shall

be the quorum during such time. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.

#### **Adjournment of meeting for want of quorum**

127. If a meeting of the Board cannot be held for want of quorum, then the meeting shall automatically stand adjourned to such day, time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

#### **Chairman**

128. (1) The Directors may elect a Chairman of their meetings, and determine the period for which he is to hold office.

#### **Who will preside at meetings of the Board**

- (2) All meetings of the Board of Directors shall be presided over by the Chairman if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same, the Directors shall choose one of the Directors then present to preside at the meeting.

#### **Questions at Board Meetings how decided**

129. Questions arising at any meeting shall be decided by a majority of votes, and in case of an equality of votes, the Chairman of the meeting shall have a second or casting vote.

#### **Directors may appoint committees**

130. Subject to the provisions of the Act, the Directors may delegate any of their powers to Committees consisting of such member or members of their body as they think fit and they may from time to time revoke and discharge any such Committees either wholly or in part, and either as to persons or purposes; but every Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.

#### **Meetings of committees how to be governed**

131. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

#### **Resolution by Circular**

132. (1) No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft together with the necessary papers, if any, to all the Directors or to all the members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be

prescribed and has been approved by a majority of the directors or members, who are entitled to vote on the resolution.

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

- (2) A resolution under sub-section (1) shall be noted at a subsequent meeting of the board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

#### **Acts of Board or Committees valid notwithstanding defect in appointment**

133. Subject to the provisions of the Act and these Articles, all acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

#### **Minutes of proceedings of Board of Directors and Committee to be kept**

134. The Company shall cause Minutes of the meetings of the Board of Directors or the Committees of the Board to be duly entered in the book or books provided for the purpose in accordance with the relevant provisions of Section 118 of the Act. The Minutes shall contain a fair and correct summary of the proceedings at the meeting including the following
- a. the names of the Directors present at the meetings of the Board of Directors or of any Committee of the Board;
  - b. all orders made by the Board of Directors or Committee of the Board and all appointments of officers and Committees of Directors;
  - c. all resolutions and proceedings of the meetings of the Board of Directors and the Committees of the Board;
  - d. in the case of each resolution passed at a meeting of the Board of Directors or Committee of the Board, the names of the Directors, if any, dissenting from or not concurring in the resolution.

#### **By whom minutes to be signed and the effect of minutes recorded**

135. All such minutes shall be signed by the Chairman of the meeting as recorded, or by the person who shall preside as Chairman at the next succeeding meeting and all minutes purported to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolution recorded, and the actual and regular transaction or occurrence of the proceedings so recorded and of the regularity of the meeting at which the same shall appear to have taken place.

#### **General Powers of the Board**

136. (1) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; Provided that the Board shall not exercise any power or do any Act or thing which is directed or required, whether by the Act or any other Act or by the Memorandum or these Articles or otherwise, to be exercised or done

by the Company in General Meeting; Provided further that in exercising any such power or doing such act or thing the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith duly made thereunder including regulations made by the Company in General Meeting.

- (2) No regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

#### **Consent of Company necessary for the exercise of certain powers**

137. The Board of Directors shall not exercise following powers, except with the consent of the Company in General Meeting

sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole, of any such undertaking;

invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (a) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.

borrow moneys in excess of the limits provided in section 180;

to remit or give time for the repayment of any debt due from a Director

contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed five per cent of its average net profits as determined in accordance with the Act during the three financial years, immediately preceding, whichever is greater.

#### **Certain powers to be exercised by the Board only at meeting**

138. a Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board:-
- a the power to make calls on shareholders in respect of moneys unpaid on their shares;
  - b the power to buy-back of securities under section 68;
  - c to issue securities including debentures, whether in or outside India;
  - d to borrow monies;
  - e to invest the funds of the company
  - f to grant loan or give guarantee or provide security in respect of loans;
  - g to approve financial statement and the Board's Report;

- h to diversify business of the company;
- i to approve amalgamation, merger or reconstruction;
- j to take over a company or acquire a controlling or substantial take in another company

Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors or the Managing Director or any other principal officer of the Company or to principal officer of any of its branch offices, the powers specified in (c), (d) and (e) of this sub-clause to the extent specified below on such conditions as the Board may prescribe.

- (2) Every resolution delegating the power referred to in sub-clause (1)(d) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegates. Provided however, that where the Company has an arrangement with its Bankers for the borrowing of moneys by way of overdraft, cash credit or otherwise the actual day to day operation of the overdraft, cash credit or other accounts by means of which the arrangement so made is availed of shall not require the sanction of the Board.
- (3) Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount up to which the funds may be invested and the nature of the investments which may be made by the delegates.
- (4) Every resolution delegating the power referred to in sub-clause (1)(f) shall specify the total amount up to which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

Nothing in this Article contained shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in (a) to (j) of sub-clause (1) above.

**Power to appoint Managing Director(s)**

139. Subject to the provision of Sections 196, 197, 198, 199, 200, 201, 202 and 203 and other applicable provisions, if any, of the Act and of these Articles, the Directors may from time to time appoint one or more persons to be a Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director) of the Company for such term not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

**What provisions they shall be subject to**

140. Subject to the provisions of the Act and of these Articles, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 110 but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and he shall ipso facto and immediately cease to be a Managing Director if he ceases to hold office of Director from any cause; Provided that if at any time the number of Directors (including the Managing Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for time being, then such Managing Director or Managing Directors as the Directors shall from time to time select shall be liable to retirement by rotation in accordance with Article 110 to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.



#### **Remuneration of Managing Director(s)**

141. The remuneration of a Managing Director (subject to Section 197 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be by way of monthly payment, or at a specified percentage of the net profits of the Company or partly by one way and partly by other.

#### **Powers and Duties of Managing Director(s)**

142. Subject to the superintendence, control and direction of the Board of Directors, the day to day management of the Company shall be in the hands of the Managing Director. The Directors may from time to time entrust to and confer upon a Managing Director for the time being, save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles, confer such powers, either collaterally with or to the exclusion of, and in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### **Power to appoint Whole-time Director(s)**

143. Subject to the provisions of the Act, the Directors may from time to time appoint one or more of their body to be a Whole-time Director or Directors of the Company for such term not exceeding five years at a time as they may think fit, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

#### **What provisions they shall be subject to**

144. Subject to the provisions of the Act and of these Articles a Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 110 but he shall be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall ipso facto and immediately cease to be a Whole-time Director if he ceases to hold the office of Director from any cause. Provided that if at any time the number of Directors (including the Managing Director appointed under Article 136 or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Whole-time Director or Directors as the Directors may from time to time select shall be liable to retirement by rotation in accordance with Article 110 to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being.

#### **Remuneration of Whole-time Director(s)**

145. The remuneration of a Whole-Time Director (subject to Section 197 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be by way of monthly payment, or at a specified percentage of the net profits of the Company or partly by one way and partly by other.

#### **Power and Duties of Whole-time Director(s)**

146. Subject to the superintendence, control and direction of the Board of Directors, the day to day management of the Company may be entrusted to the Director or Directors appointed under Article 140 or Article 141, with power to the Directors to distribute such day to day management

functions among such Directors, if more than one, in any manner as directed by the Board, or to delegate such power of distribution to any one of them. The Directors may from time to time entrust to and confer upon a Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient, and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

147. Subject to the provisions of the Act
- a. 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;
  - b. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
148. 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.

#### **Registers, Books and Documents**

149. (1) The Company shall maintain Registers, Books and Documents as required by the Act or these Articles including the following, namely
- a. All documents & information as originally filed for incorporation till dissolution of Company under section 7(4)
  - b. Register of charges with copies of instruments under section 85
  - c. Register of members under section 88(1)
  - d. Register of members & other security holders and copies of annual returns (can be kept at other place also as specified therein) under section 94(1)
  - e. Minute books of general meetings and postal ballot under section 119(1)
  - f. Books of account under section 128(1)
  - g. Register of directors/KMPs and their shareholding under section 170(1)
  - h. Register of loans, guarantees & acquisitions under section 186(10)
  - i. Register of contracts under section 189(3)
  - j. Contract of employment with MD/WTD under section 190
  - k. Draft scheme of revival and rehabilitation under section 262(3)
  - l. Terms and conditions of appointment of independent Directors under schedule IV

- m. Every documents to be maintained under section 120
- (2) The said Registers, Books and Documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection by such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may, in that behalf be determined in accordance with the provisions of the Act or these Articles, and extracts shall be supplied to the persons entitled thereto in accordance with the provisions of the Act or these Articles.

### **The Seal**

- 150. The Directors shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director of the company as the Board may appoint for the purpose; and that director shall sign every instrument to which the seal of the company is so affixed in his/her presence.

### **Dividends and Reserve**

- 151. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
- 152. 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:
  - 153. (1) 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.
  - (2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
- 154. (1) 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.
  - (2) 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.
  - (3) 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.
- 155. 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.

156. (1) 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.
- (2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
157. 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.
158. 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.
159. (1) No dividend shall bear interest against the company.
- (2) There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

### **Capitalization of Profits**

160. (1) 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, 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.
- (2) 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);
- (D) 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;
- (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
161. (1) 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.
- (2) 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;

(3) Any agreement made under such authority shall be effective and binding on such members.

#### **Accounts**

162. (1) The Company shall keep proper books of account and relevant books and papers and financial statement for every financial year which give true and fair view of the state of the affairs and comply with the Accounting Standards.
- (2) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- (3) The books of account and other books and papers shall be open to inspection by any Director during business hours.
- (4) The books of account of the Company relating to a period of not less than eight financial years immediately preceding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.

#### **Books of account kept at places other than Registered Office**

163. The books of account shall be kept at the registered office of the Company or at such other place in India as the Directors think fit, provided that when all or any of the books of account aforesaid are kept at such other place in India as the Board may decide, the Company shall within seven days of such decision of the Board file with the Registrar a notice in writing giving the full address of that other place.

#### **Inspection by members of accounts and books of the Company**

164. The Directors 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 and 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 Directors or by the Company in General Meeting.

#### **Financial Statements to be furnished to the General Meeting**

165. The Board of Directors shall lay before each Annual General Meeting financial statements for the financial year.

#### **Financial Statement**

166. Subject to the provisions of Section 129 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the Forms set out in Parts I and II respectively of Schedule III of the Act, or as near order as circumstances admit.

#### **Authentication of Balance Sheet and Profit and Loss Account**

167. The financial statement, including consolidated financial statement, if any, shall be approved by the Board of Directors before they are signed on behalf of the Board at least by the Chairman of the Company where he is authorised by the Board or by two Directors out of which one shall

be Managing Director and the Chief Executive Office, if he is a Director in the Company, or the Chief Financial Officer and the Company Secretary of the Company.

#### **Auditor's Report to be attached to the Financial Statement**

168. The Auditor's Reports (including the Auditor's separate, special or supplementary Reports, if any) shall be attached Financial Statement.

#### **Board's report to be attached to Financial Statement**

169. Every financial statement laid before the Company in General Meeting shall have attached to it a report by the Board of Directors in such manner prescribed under section 134(3) of the Act.

#### **Right of Member to copies of Accounts**

170. No Member 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.

#### **Annual Return**

171. The Company shall make and file the requisite annual return in accordance with Sections 92 of the Act, and shall file with the Registrar copy of the Financial Statement in accordance with Section 137 of the Act.

#### **Appointment of Auditors**

172. The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that Meeting till the conclusion of the sixth Annual General Meeting and thereafter till the conclusion of every sixth meeting, before such appointment the written consent or certificate shall be obtained accordance with sections 139 and 141 of the Act.

#### **Qualifications and Disqualifications of Auditors**

173. None of the persons mentioned in Section 141(3) of the act as Auditors or shall not be eligible for appointment as an Auditor of the Company.

#### **Audit of Branch Offices**

174. The Company shall comply with the provisions of Section 143 of the Act in relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the Central Government in that behalf.

#### **Remuneration of Auditors**

175. The remuneration of the Auditors of the Company shall be fixed by the Company in General Meeting except that the remuneration of any Auditors, appointed to fill any casual vacancy may be fixed by the Directors.

#### **Rights and duties of Auditors**

176. (1) Every Auditor of the Company shall have the right of access at all time to the books and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanations as may be necessary for the performance of the duties of the Auditors.

- (2) All notices of and other communications relating to any General Meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.
- (3) The Auditor shall make a Report to the Members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account, and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in General Meeting during his tenure of office, and the Report shall state whether in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by the Act in the manner so required and give a true and fair view :
  - in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year, and
  - in the case of the Profit and Loss Account, of the Profit or Loss for its financial year.
- (4) The Auditor's Report shall also state
  - a. Whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;
  - b. Whether, in his opinion, proper books of accounts and vouchers as required by law have been kept by the Company so far as appears from his examination of those books, and proper returns adequate for the purposes of his audit have been received from branches not visited by him;
  - c. Whether the report on the accounts of any branch office audited under Section 143 by a person other than the Company's Auditor has been forwarded to him as required by sub-section (8) of that Section and how he has dealt with the same in preparing the Auditor's Report;
  - d. Whether the Company's Balance Sheet and Profit and Loss Account dealt with by the Report are in agreement with the books of accounts and returns;
  - e. Whether, in his opinion, the Balance Sheet and Profit and Loss Account comply with the accounting standards referred to in section 133.
- (5) The observations and comments of the Auditors on financial transactions or matters which have any adverse effect on the functioning of the Company
- (6) Whether any Director is disqualified from being appointed as a Director under section 164(2).
- (7) Any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith.
- (8) Whether company has adequate internal financial controls system in place and the operating effectiveness of such controls Documents and Service of Documents

177. A document (which expression for this purpose shall be deemed to include and shall include any summons, notice, requisition, process, order, judgment or any other document in relation to or in the winding up of the Company may be served or sent by the Company on or to any member or Registrar in electronic mode, by sending it to

him by post or by registered post or by speed post or by courier or by delivering at his office or address or such other mode.

#### **Authentication of documents, proceedings and contracts**

178. Save as otherwise expressly provided in the Act or these Articles, a document, contracts or proceeding requiring authentication by the Company may be signed by any Key Managerial Personnel or an Officer of the Company duly authorised by the Board of Directors of the Company.

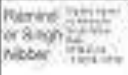


#### **Winding up**

179. Subject to the provisions of Chapter XX of the Act and rules made there under
- a. 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-space 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.
  - b. 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.
  - c. 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**

180. 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.



Subscriber Details						
S. NO	Name, Address, Description and Occupation	DIN/PAN/Passport Number	Place	DSC	Dated	
1	RAMINDER SINGH NIBBER HOUSE NO. 1021, PHASE- IV, SAS NAGAR, MOHALI 160059 BUSINESS	00239117	CHANDIGARH		20/02/2018	
2	PRITIKA AUTO INDUSTRIES LIMITED Plot No. C-94, Phase-VII, Industrial Focal Point, S.A.S. Nagar, Mohali-160055 THROUGH HARPREET SINGH NIBBER HOUSE NO. 1021, PHASE-4, SAS NAGAR, MOHALI 160059 BUSINESS	ABPPN5458C	CHANDIGARH		20/02/2018	
3						
Signed Before Me						
	Name	Address, Description and Occupation	DIN/PAN/ Passport Number/ Membership Number	Place	DSC	Dated
FCS	SUSHIL KUMAR SIKKA	HOUSE NO. 5441, SECTOR-38, WEST, CHANDIGARH-160014	4241	CHANDIGARH		20/02/2018

## SECTION X - 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 Prospectus which shall be delivered to the RoC for registration. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Draft Prospectus until the Issue Closing Date.

#### 1. Material Contracts for the Issue

- i) Issue Agreement dated 22<sup>nd</sup> July, 2022 entered into between our Company and the LM.
- ii) Registrar Agreement dated 6<sup>th</sup> July, 2022 entered into amongst our Company and the Registrar to the Issue.
- iii) Tripartite Agreement dated 8<sup>th</sup> July, 2022 between our Company, NSDL and the Registrar to the Issue.
- iv) Tripartite Agreement dated 8<sup>th</sup> July, 2022 between our Company, CDSL and the Registrar to the Issue.
- v) Banker to the Issue Agreement dated [•] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
- vi) Market Making Agreement dated [•] between our Company, Lead Manager and Market Maker.
- vii) Underwriting Agreement dated [•] amongst our Company and the Underwriters.

#### 2. Material Documents

- i) Certificate of Incorporation dated February 20, 2018 under the Companies Act, 2013 issued by Registrar of Companies, Central Registration Centre.
- ii) Certificate of Incorporation dated August 19, 2020 under the Companies Act, 2013 issued by Registrar of Companies, Chandigarh at Mohali, Punjab pursuant to alteration in object clause of Memorandum of Association. Fresh Certificate of Incorporation dated April 21, 2022 consequent upon conversion of our Company from a private limited company to a public limited company and subsequent change of name to "*Pritika Engineering Components Limited*".
- iii) Resolution of the Board of Directors dated 29<sup>th</sup> June, 2022 in relation to the Issue.
- iv) Shareholders' resolution dated 20<sup>th</sup> July, 2022 in relation to the Issue.
- v) Resolutions of the Board of Directors of the company dated [•], taking on record and approving this Draft Prospectus.
- vi) The examination reports dated 18<sup>th</sup> July, 2022 of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Draft Prospectus.
- vii) Copies of the annual reports of our Company for the Fiscals 2021, 2020 and 2019.
- viii) Statement of Tax Benefits dated 30<sup>th</sup> July, 2022 from the Statutory Auditor included in this Draft Prospectus.
- ix) Consent of the Promoters, Directors, the LM, Legal Counsel, Registrar to the Issue, Market Maker Bankers to our Company, Company Secretary and Compliance Officer and Chief Financial Officer as referred to in their specific capacities.

- x) Consent letter dated 17<sup>th</sup> August, 2022 of the Statutory Auditor to include their names as experts in relation to their report dated 18<sup>th</sup> July, 2022 on the Restated Financial Information and the Statement of Tax Benefits dated 30<sup>th</sup> July, 2022 included in this Draft Prospectus.
- xi) Due Diligence Certificate dated [•] issued the LM.
- xii) In principle listing approvals dated [•] issued by NSE.

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, 2013 and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

\_\_\_\_\_  
**Harpreet Singh Nibber**  
Managing Director

Sd/-

\_\_\_\_\_  
**Subramaniam Bala**  
Non-Executive Independent Director

Sd/-

\_\_\_\_\_  
**Raminder Singh Nibber**  
Chairman, Non Executive Director

Sd/-

\_\_\_\_\_  
**Neha**  
Non- Executive Independent Director

Sd/-

\_\_\_\_\_  
**Ajay Kumar**  
Non Executive Director

Sd/-

\_\_\_\_\_  
**Bishwanath Choudhary**  
Non- Executive Independent Director

Sd/-

\_\_\_\_\_  
**Chander Bhan Gupta**  
Company Secretary

Sd/-

\_\_\_\_\_  
**Narinder Kumar Tyagi**  
Chief Financial Officer

**Date:** 27<sup>th</sup> September, 2022

**Place:** Mohali