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# DRAFT RED HERRING PROSPECTUS

Dated: January 24, 2024

(Please read section 26 and 32 of the Companies Act, 2013)

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

100% Book Built Issue



RAKHE SAB CONTROL MEIN

## SERVOKON SYSTEMS LIMITED

Corporate Identification Number: U32301DL1995PLC068876

REGISTERED OFFICE	CONTACT PERSON	TELEPHONE AND EMAIL	WEBSITE
C-13, Radhu Palace Road Laxmi Nagar, Delhi, India, 110092	Mr. Piyush Sudhir Kale, Company Secretary and Compliance Officer	Tel: +91 98736 30786 ; Email: <a href="mailto:compliance@servokon.com">compliance@servokon.com</a>	<a href="http://www.servokon.com">www.servokon.com</a>

**PROMOTERS OF OUR COMPANY: MR. KAMRUDDIN, MS. FATIMA BEGUM, MR. ZAKIR HUSSAIN SIDDIQUI, MR. ASIF KHAN AND MR. MOHD AKRAM**

### 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	Up to 30,00,000 equity shares of face value of ₹ 10 each ("Equity Shares") aggregating up to ₹ [●] lakhs ("Issue")	Nil	Up to 30,00,000 equity shares of face value of ₹ 10 each ("Equity Shares") aggregating up to ₹ [●] lakhs ("Issue")	This issue is being made in terms of Regulation 229 and 253(1) 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**

### RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 10/-. The Floor Price, Cap Price and Offer Price as determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building process, as stated under "Basis for Issue Price" on page 70 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after Listing.

### GENERAL RISK

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited of the section titled "Risk Factors" beginning on Page No. 27 of this Draft Red Herring Prospectus.


### ISSUER'S ABSOLUTE RESPONSIBILITY

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

### LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an 'in-principle' approval letter dated [●] from 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").

### BOOK RUNNING LEAD MANAGER: GYR CAPITAL ADVISORS PRIVATE LIMITED

NAME AND LOGO	CONTACT PERSON	E-MAIL ID AND TELEPHONE
 GYR Capital Advisors Private Limited	Mr. Mohit Baid	Telephone: +91 87775 64648 E-mail: <a href="mailto:info@gyrcapitaladvisors.com">info@gyrcapitaladvisors.com</a>

### REGISTRAR TO THE ISSUE: MAASHITLA SECURITIES PRIVATE LIMITED

NAME AND LOGO	CONTACT PERSON	E-MAIL ID AND TELEPHONE
 MAASHITLA SECURITIES PRIVATE LIMITED	Mr. Mukul Agrawal	Tel: +91-11-45121795 Email: <a href="mailto:investor.ipo@maashitla.com">investor.ipo@maashitla.com</a>

### BID/ISSUE PERIOD

ANCHOR PORTION ISSUE OPENS/CLOSES ON:	BID/ISSUE OPENS ON:	BID/ISSUE CLOSES ON:
[●]*	[●]*	[●]**^

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

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

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date



RAKHE SAB CONTROL MEIN

## SERVOKON SYSTEMS LIMITED

Our Company was incorporated on May 23, 1995 under the name and style of 'Servokon Systems Private Limited', a private limited company under the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, N.C.T of Delhi & Haryana. Pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on October 03, 2005, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to 'Servokon Systems Limited' and a fresh certificate of incorporation dated March 28, 2006 was issued to our Company by the Registrar of Companies, N.C.T of Delhi & Haryana. The corporate identification number of our Company is U32301DL1995PLC068876. For further details please refer to the chapter titled "History and Certain Corporate Matters" beginning on Page No. 112 of this Draft Red Herring Prospectus.

**Registered Office:** C-13, Radhu Palace Road Laxmi Nagar, Delhi, India, 110092;

**Telephone:** +91 9873630786; **Email:** compliance@servokon.com; **Website:** [www.servokon.com](http://www.servokon.com);

**Contact Person:** Mr. Piyush Sudhir Kale, Company Secretary and Compliance Officer;

**Corporate Identification Number:** U32301DL1995PLC068876

## PROMOTERS OF OUR COMPANY: MR. KAMRUDDIN, MS. FATIMA BEGUM AND MR. ZAKIR HUSSAIN SIDDIQUI, MR. ASIF KHAN AND MR. MOHD AKRAM

INITIAL PUBLIC OFFER OF UPTO 30,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF SERVOKON SYSTEMS LIMITED (THE "COMPANY" OR "SSL" OR "ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LACS ("PUBLIC ISSUE") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LACS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE [●] AND [●] % RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

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

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs") (the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks ("SCSBs") or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "Issue Procedure" on page 187 of this Draft Red Herring Prospectus.

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 187 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.

## ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on Page No. 187 of this Draft Red Herring Prospectus.

## RISKS IN RELATION TO THE FIRST ISSUE

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the equity shares is Rs. 10/-. The issue price/floor price/price band should not be taken to be indicative of the market price of the specified securities after the specified securities are listed. No assurance can be given regarding an active or sustained trading in the equity shares of the issuer nor regarding the price at which the equity shares will be traded after listing."

## GENERAL RISK

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited of the section titled "Risk Factors" beginning on Page No. 27 of this Draft Red Herring Prospectus.

## ISSUER'S ABSOLUTE RESPONSIBILITY

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

## LISTING

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE") in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an 'in-principle' approval letter dated [●] from 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").

## BOOK RUNNING LEAD MANAGER

## REGISTRAR TO THE ISSUE



## GYR Capital Advisors Private Limited

428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahmedabad-380 054, Gujarat, India.

**Telephone:** +91 8777564648

**E-mail id:** [info@gyrcapitaladvisors.com](mailto:info@gyrcapitaladvisors.com)

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

**Investor Grievance e-mail ID:** [investors@gyrcapitaladvisors.com](mailto:investors@gyrcapitaladvisors.com)

**Contact Person:** Mohit Baid

**SEBI Registration Number:** INM000012810

**CIN:** U67200GJ2017PTC096908



## Maashitla Securities Private Limited

451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, New Delhi, 110034, India.

**Tel:** +91-11-45121795

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

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

**Contact Person:** Mr. Mukul Agrawal

**SEBI Registration Number:** INR000004370

**CIN :-** U67100DL2010PTC208725

## ISSUE PROGRAMME

**ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]\***

**BID/ISSUE OPENS ON: [●]\***

**BID/ISSUE CLOSES ON: [●]\*\***

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

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

^ UPI mandate end time and date shall be at 5:00 pm on the Bid/Issue Closing Date.

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*PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF*  
*CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.)*

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

Notwithstanding the foregoing, the terms used in “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Statement of Possible Special Tax Benefits*”, “*Financial Information*”, “*Basis for Issue Price*”, “*Outstanding Litigation and Material Developments*” and “*Description of Equity Shares and Terms of the Articles of Association*” beginning on pages 76, 107, 74, 139, 70, 159 and 215, respectively, shall have the meaning ascribed to them in the relevant section.

### GENERAL AND COMPANY RELATED TERMS

Term	Description
“Company”, “our Company”, “the Company”, “the Issuer”, “Servokon Systems” or “SSL”	Servokon Systems Limited, a public limited company incorporated in India under the Companies Act, 1956 having its registered office at C-13, Radhu Palace Road Laxmi Nagar, Delhi, India, 110092
Our Promoters	Mr. Kamruddin, Ms. Fatima Begum, Mr. Zakir Hussain Siddiqui, Mr. Asif Khan and Mr. Mohd Akram
Promoters’ Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” on page 131 of this Draft Red Herring Prospectus

### COMPANY RELATED TERMS

Term	Description
Articles/Articles of Association/AOA	Articles of Association of our Company.
Audit Committee	The Audit Committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 115 of this Draft Red Herring Prospectus.
Auditor/ Statutory Auditor/ Peer Review Auditor	Statutory and peer review auditor of our Company, namely, M/s. Manish Pandey & Associates, Chartered Accountants.
Bankers to the Company	HDFC Bank Limited, Bank of Baroda, ICICI Bank Limited and Kotak Mahindra Bank
Board of Directors/Board/BOD	The Board of Directors of Servokon Systems Limited unless otherwise specified.
Companies Act	The Companies Act, 1956/2013 as amended from time to time.
CIN	Corporate Identification Number of our Company i.e. U32301DL1995PLC068876.
Chairman	The Chairman of our Company, being Mr. Zakir Hussain Siddiqui
Chief Financial Officer (CFO)	The Chief Financial officer of our Company, being Mr. Sheeraz Khan
Chief Executive Officer (CEO)	The Chief Executive officer of our Company, being Mr. Zakir Hussain Siddiqui
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, being Mr. Piyush Sudhir Kale
Corporate Social Responsibility Committee/CSR Committee	The CSR Committee of the Board of Directors constituted in accordance with Section 135 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 115 of this Draft Red Herring Prospectus.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Director Identification Number.
Director(s)	Directors on our Board as described “ <i>Our Management</i> ” beginning on page 115 of this Draft Red Herring Prospectus.
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.

Term	Description
ED	Executive Director.
Group Companies	In terms of SEBI ICDR Regulations, the term “Group Companies” includes companies (other than promoters and subsidiary) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and any other companies as considered material by our Board, in accordance with the Materiality Policy, as described in “Our Group Companies” on page 175 this Draft Red Herring Prospectus.
Independent Director	A Non-Executive Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	INE0P3V01011
Internal Complaints Committee	Internal Complaints Committee constituted under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. For details refer section titled “Our Management” on page 115 of this Draft Red Herring Prospectus.
Key Managerial Personnel /Key Managerial Employees/KMP	Key Managerial Personnel of our company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations, 2018 and Section 2(51) of the companies Act, 2013 as applicable and as further disclosed in the section titled “Our Management” on page 115 of this Draft Red Herring Prospectus.
LLP	LLP incorporated under the Limited Liability Partnership Act, 2008.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on October 30, 2023 in accordance with the requirements of the SEBI ICDR Regulations.
MOA/ Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time.
Non-Residents	A person resident outside India, as defined under FEMA
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Board of Directors constituted in accordance with Companies Act, 2013. For details refer section titled “Our Management” on page 115 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulations, 2000.
Promoters	The Promoters of our company, being Mr. Kamruddin, Ms. Fatima Begum, Mr. Zakir Hussain Siddiqui, Mr. Asif Khan and Mr. Mohd Akram. For details, see “Our Promoter and Promoter Group” on page 131 of this Draft Red Herring Prospectus.
Promoter Group	Person and entities constituting the promoter group of our company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in “Our Promoter and Promoter Group” on page 131 of this Draft Red Herring Prospectus.
Registered Office	C-13, Radhu Palace Road Laxmi Nagar, Delhi, India, 110092
Restated Financial Information/Restated Financial Statements	The Restated Financial Information of our Company, which comprises the Restated Statement of assets and liabilities, the Restated Statement of profit and loss, the Restated Statement of cash flows for the period ended September 30, 2023 and year ended on March 31, 2023, 2022, 2021 along with the summary statement of significant accounting policies read together with the annexures and notes thereto prepared in terms of the requirements of Section 32 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
ROC / Registrar of Companies	Registrar of Companies, Delhi.
Shareholders	Shareholders of our company
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013 and Listing Regulations. For details refer section titled “Our Management” on page 115 of this Draft Red Herring Prospectus.
Whole-time Director/WTD	Whole-time director(s) on our Board, as described in “Our Management”, beginning on page 115 of this Draft Red Herring Prospectus

## **ISSUE RELATED TERMS**

<b>Term</b>	<b>Description</b>
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue pursuant to successful Bidders.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
ASBA Applicant	Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application Form including through UPI mode (as applicable).
ASBA Bid	A Bid made by ASBA Bidder.
ASBA Bidder	Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process.
ASBA Form	An application form, whether physical or electronic, used by ASBA Applicant and which will be considered as the application for Allotment in terms of the Prospectus
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants.
Allottee(s)	The successful applicant to whom the Equity Shares are being/have been issued.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Issue Period	One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Managers.
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
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 [●].
Bid	An indication to make an Issue during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red

Term	Description
	Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	<p>The date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper).</p> <p>Our Company in consultation with the BRLM, may, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchange, and also be notified on the websites of the BRLM and at the terminals of the SyndicateMembers, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations.</p>
Bid/Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper).
Bid/ Issue Period	<p>The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days.</p>
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of the Red Herring Prospectus.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.
Bid cum Application Form	The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Manager/ BRLM	The Book Running Lead Manager to the Issue, being GYR Capital Advisors Private Limited.
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in paragraph titled ‘Basis of allotment’ under chapter titled “Issue Procedure” starting from page no. 187 of this Draft Red Herring Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Applicants can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ).
Business Day	Monday to Friday (except public holidays).



<b>Term</b>	<b>Description</b>
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Client ID	The client identification number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI UPI Circulars, issued by SEBI and as per the list available on the websites of BSE and NSE.
Circular on Streamlining of Public Issues/ UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Master circular, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard.
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.
Cut Off Price	The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )
Designated Date	The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of UPI Bidders using the 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, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue.
Demographic Details	Details of the Applicants including their address, name of the father/husband, investor status, occupation and bank account details and UPI ID, where applicable.
Designated Intermediaries/ Collecting agent	In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidders using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.
Designated RTA Locations	Such locations of the RTAs where Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the

Term	Description
	respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> ), as updated from time to time.
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	Emerge Platform of National Stock Exchange of India Limited (“NSE EMERGE”)
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
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.
DP ID	Depository Participant’s identity number.
Draft Red Herring Prospectus/DRHP	This Draft Red Herring Prospectus dated January 24, 2024 issued in accordance with Section 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Issue and in relation to whom the Application Form and the Prospectus constitutes an invitation to subscribe to the Equity Shares.
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Application Form and the Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Emerge Platform of National Stock Exchange of India Limited	The EmERGE Platform of National Stock Exchange of India Limited for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations which was approved by SEBI as a National Stock Exchange of India Limited EmERGE on October 14, 2011.
Equity Listing Agreements	The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares.
Escrow and Sponsor Bank Agreement	Agreement dated [●] entered into amongst our Company, the Registrar to the Issue, the Book Running Lead Manager and 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 Account(s)	Account(s) opened with the Bank(s) to the Issue pursuant to Escrow and Sponsor Bank Agreement.
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue under the SEBI (Bankers to an Issue) Regulations, 1994 and with whom the 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 joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band being [●], subject to any revision(s) thereto, not being less than the face value of Equity Shares and the Anchor Investor Issue Price, at or above which the Issue Price will be finalized and below which no Bids will be accepted.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended.
Fresh Issue	The Fresh Issue of Upto 30,00,000 Equity Shares aggregating up to ₹ [●] Lakhs.

Term	Description
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1) (III) of the SEBI ICDR Regulations.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchange and the Book Running Lead Manager.
GIR Number	General Index Registry Number
Issue Agreement	The agreement dated January 09, 2024 amongst our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application.
Issue Price	The price at which the Equity Shares are being issued by our Company in consultation with the Book Running Lead Manager under the Red Herring Prospectus and the Prospectus being ₹ [●] per share.
Issue Proceeds	The proceeds of the Issue shall be available to our Company. For further information about the use of the Issue Proceeds, see “ <i>Objects of the Issue</i> ” beginning on page 64.
Issue Opening	The date on which the Book Running 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 each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Closing	The date after which the Book Running 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 each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue/ Issue Size/ Initial Public Issue/ Initial Public Offering/IPO	The initial public offering of Upto 30,00,000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] Lakhs comprising the Fresh Issue.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the [●].
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 ₹ [●] for Designated Market Maker in the Public Issue of our Company.
Market Making Agreement	The Agreement among the Market Maker, the Book Running 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=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the Net QIB Portion (other than anchor allocation), or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
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 ₹ [●].
Net Proceeds	The proceeds from the Issue less the Issue related expenses applicable to the Issue. For further information about use of the Issue Proceeds and the Issue expenses, see “ <i>Objects of the Issue</i> ” on page 64
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non-Institutional Investors/ Non-Institutional Bidders/ NIB's	All Applicants that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹ 200,000 (but not including NRIs other than Eligible NRIs).

Term	Description
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
Non Retail Portion including Qualified Institution Buyers (NRII)	The remaining portion of the Net Offer, after retails portion, being not more than 50% of the Net issue which shall be available for allocation to NRIIs in accordance with the SEBI ICDR Regulations.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●]. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation at least two working days prior to the Bid / Issue Opening Date.
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Issue opening and closing dates, the size of the Issue and certain other information.
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors.
Pricing Date	The date on which our Company, in consultation with the Managers, will finalise the Issue Price.
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
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.
QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Offer Price (for Anchor Investors).
Red Herring Prospectus / RHP	The Red Herring Prospectus dated [●] issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be Issued and the size of the Issue, including any addenda or corrigenda thereto.
Registered Brokers	Stockbrokers 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.
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Bank(s) /Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Registrar Agreement	The agreement dated January 16, 2024 among 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 to the Issue/ Registrar	Registrar to the Issue being Maashitla Securities Private Limited

Term	Description
Retail Individual Investor(s)/ RII(s)	Individual Applicants, who have applied for the Equity Shares for an amount not more than ₹ 200,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (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 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 Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Investors 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 Applications during the Issue Period and withdraw their Applications until Issue Closing Date
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System
SEBI Master Circular	The SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023.
Self-Certified Syndicate Bank(s) or SCSB(s)	<p>The list of SCSBs notified by SEBI for the ASBA process is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Application Forms, is available 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 at such other websites as may be prescribed by SEBI from time to time.</p> <p>In relation to Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> ) and updated from time to time. For more information on such branches collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<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 updated from time to time.</p> <p>In accordance with 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 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI(<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>) and (<a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a>) respectively, as updated from time to time. 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.</p>
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Applicants, a list of which will be included in the Application Form
Sponsor Bank	The Banker to the Issue registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars, Being [●]
Stock Exchange	National Stock Exchange of India Limited

Term	Description
Systemically Important Non-Banking Financial Companies	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.
Underwriter	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time, The BRLM shall act as the underwriter to the Issue.
Underwriting Agreement	The Agreement entered into between the Underwriter and our Company dated [●]
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, and (ii) Non- Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 shall use UPI and shall provide their UPI ID in the application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the websites of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI Master circular, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI 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 Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Issue in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Red Herring Prospectus are open for business :- 1. However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Draft Red Herring Prospectus are open for business. 2. In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.

Term	Description
₹ or Rs. or Rupees or INR	Indian Rupees
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BG	Bank Guarantee
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as “Category I Foreign Portfolio Investors” under the SEBI FPI Regulations
Category II FPIs	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Competition Act	Competition Act, 2002, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
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.
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
CRAR	Capital to Risk Asset Ratio
CSR	Corporate social responsibility
Demat	Dematerialised
Depositories Act	Depositories Act, 1996.
Depository or Depositories	NSDL and CDSL both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EMERGE	The SME platform of National Stock Exchange of India Limited
EoGM	Extra-ordinary General Meeting
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
Financial Year/ Fiscal Year/FY	The period of twelve months ended March 31 of that particular year

FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/ Government/GoI	Government of India
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
IMPS	Immediate Payment Service
Indian GAAP	Generally Accepted Accounting Principles in India
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
KYC	Know your customer
LIC	Low-Income Country
Ltd.	Limited
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
MSME	Micro, Small, and Medium Enterprises
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/ Non Residents	Non Resident
NPCI	National Payments Corporation of India
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement



SAT	Securities Appellate Tribunal
SARFAESI Act	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Merchant Bankers Regulation	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the National Stock Exchange of India Limited
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TAN	Tax deduction account number
TIN	Tax payer Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
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 organized 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
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.
VAT	Value Added Tax
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**

<b>Term</b>	<b>Description</b>
Covid-19	Coronavirus Disease
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IMF	International Monetary Fund
U.S.	United States of America
US\$	United States Dollar
AVR	Automatic Voltage Regulator
UPS	Uninterruptible Power Supply
VRM	Voltage Regulator Module
TVSS	Transient Voltage Surge Suppressor
VT	Voltage Transformer
PDU	Power Distribution Unit

Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Possible Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 215, 74, 76, 107, 139, 159 and 187 respectively of this Draft Red Herring Prospectus, will have the meaning as described to such terms in these respective sections. Notwithstanding the foregoing, terms in “*Description of Equity Shares and Terms of Articles of Association*”, “*Statement of Possible Tax Benefits*”, “*Industry Overview*”, “*Key Industrial Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Issue Procedure*” on pages 215, 74, 76, 107, 139, 159 and 187 respectively of this Draft Red Herring Prospectus, will have the meaning as described to such terms in these respective sections.

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

### **Certain Conventions**

All references to “India” contained in this Draft Red Herring 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 Red Herring Prospectus is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

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

### **Financial Data**

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus has been derived from our Restated Financial Information. For further information, please see the section titled “*Financial Information*” on Page No. 139 of this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The Restated Financial Statements of our Company for the period ended September 30, 2023 and for the Financial Years ended March 2023, 2022 and 2021 which comprises of 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 GAAP 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 Red Herring 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 Red Herring 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 Red Herring Prospectus should, accordingly, be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on Page Nos. 27, 83 and 148 respectively, of this Draft Red Herring Prospectus, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company, prepared in accordance with GAAP, and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places including percentage figures in “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on Page Nos. 27, 76 and 83 respectively, this Draft Red Herring 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 Red Herring 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 Red Herring 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			
	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.06	82.23	75.91	73.53

(Source: RBI reference rate)

(Source: [www.rbi.org.in](http://www.rbi.org.in) and [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 Red Herring Prospectus has been obtained from industry sources as well as Government Publications. Industry sources as well as Government Publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. Accordingly, investment decisions should not be based solely on such information.

In accordance with the SEBI ICDR Regulations, “Basis for Issue Price” on Page No. 70 of this Draft Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM 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 No. 27 of this Draft Red Herring Prospectus.

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## **FORWARD - LOOKING STATEMENTS**

This Draft Red Herring 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:

- The absence of long-term contracts with our suppliers poses a potential threat to our business operations, as it may lead to increased costs resulting from higher raw material prices and could also result in potential delays in the availability of crucial resources
- Our spatial limitations pose a potential threat to our ability to meet market demands and maintain competitive operations.
- Our company, along with our customers, participates in a fiercely competitive industry. Ineffectiveness in competing may result in adverse consequences for our business, financial health, operational outcomes
- Our operations heavily rely on manpower, and any issues such as employee unavailability, a shortage of contract labor, strikes, work stoppages, increased wage demands, or changes in regulations concerning contractual labor could negatively affect our operational results impacting our sales

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 Page Nos. 27, 83 and 148, respectively, of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual 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 reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the 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 Book Running Lead Manager 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.

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## SECTION II – SUMMARY OF ISSUE DOCUMENT

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 Red Herring Prospectus, including the sections entitled “*Risk Factors*”, “*Industry Overview*”, “*Outstanding Litigation and Material Developments*”, “*Our Promoter and Promoter Group*”, “*Financial Information*”, “*Objects of the Issue*”, “*Our Business*”, “*Issue Procedure*” and “*Description of Equity Shares and Terms of Articles of Association*” beginning on Page Nos. 27, 76, 159, 131, 139, 64, 83, 187 and 215 respectively of this Draft Red Herring Prospectus.

### 1. **Summary of Industry in which the Company is operating**

India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 423.35 GW as of July 31, 2023. Growing population along with increasing electrification and per-capita usage will provide further impetus. Power consumption in India in FY23 logged a 9.5% growth to 1,503.65 billion units (BU). India’s power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power, to viable non-conventional sources such as wind, solar, agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

The India transformer market is expected to rise at a CAGR of more than 5% during the forecast period. COVID-19 moderately impacted the market in 2020. Presently the market has reached pre-pandemic levels. Factors such as increasing energy demands from the industries and expansion of transmission and distribution systems are likely going to drive the Indian transformer market. Also, several favorable government policies in India made to the increasing energy demand are likely going to drive the Indian transformer market.

For further details, please refer to the chapter titled “*Industry Overview*” beginning on Page No. 76 of this Draft Red Herring Prospectus.

### 2. **Summary of Business**

Our Company is engaged in the Business of manufacturing a comprehensive range of electrical & electronic equipments being used for power conditioning. Our company offers an extensive range within the Power Segment, encompassing Power Transformers, Distribution Transformers, Inverter Duty/Solar Transformers, Furnace Transformers, Hermetically Sealed Transformers, Compact Sub Stations (CSS), Packaged Sub Stations (PSS), Isolation Transformers, Dry Type Transformers, Pad Mounted Transformers, HT-AVR, Transformers with Built-in HT-AVR, Step-Up & Step-Down Transformers, Isolation & Ultra Isolation Transformers, HT Panels, LT Panels, VCB Panels, Control Panels, CT & PT Panels, and various other specialized industrial transformers.

Our company holds a significant position in the Renewable Energy sector, providing a comprehensive range of offerings, including Solar Power Generating Systems (SPGS), Solar Inverters, Solar Batteries, and Solar Panels.

The core segment of Servokon, the Power Conditioning Segment, is pivotal to our Company's inception. This segment provides a comprehensive array of products, including Servo Voltage Stabilizers, Rolling Contact Servo Stabilizers, Static Servo Stabilizers, Online UPS, Constant Voltage Transformer (CVT), Variable Auto Transformer (Variac), and other tailored Power Conditioning Products.

In the Retail Network Segment, our Company presents the broadest selection of Automatic Voltage Stabilizers designed for domestic applications in India. Additionally, the segment offers a diverse range of Electrical Water Heaters and Gas Geysers. For further details, please refer to chapter titled “*Our Business*” beginning on Page No. 83 of this Draft Red Herring Prospectus.

### 3. **Promoters**

Promoters of our Company are Mr. Kamruddin, Ms. Fatima Begum, Mr. Zakir Hussain Siddiqui, Mr. Asif Khan and Mr. Mohd Akram. For further details please refer to the chapter titled “*Our Promoters and Promoter Group*” beginning on Page No. 131 of this Draft Red Herring Prospectus.

### 4. **Details of the Issue**

Our Company is proposing the public issue of upto 30,00,000 equity shares of face value of ₹ 10/- each of Servokon Systems Limited (“Servokon Systems” or the “Company” or the “Issuer”, and such equity shares the “Equity Share”) for cash at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share (the “Issue Price”) aggregating to ₹ [●] lakhs (the “Issue”), of which [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per equity share including a share premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs will be reserved for subscription by market maker to the Issue (the “Market Maker Reservation Portion”). The Issue less the Market Maker Reservation Portion i.e. Net issue of [●] Equity Shares of face value of ₹ 10/- each at a price of ₹ [●]/- per Equity Share including a share premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs is herein after referred to as the “Net Issue”. The Issue and the Net Issue will constitute [●]% and [●]%, respectively, of the post issue paid up Equity Share capital of our company. The face value of the Equity Shares is ₹ 10/- each.

The price band will be decided by our company in consultation with the book running lead manager (“BRLM”) and will be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and Hindi editions of [●] (a widely circulated Regional language daily newspaper) (Hindi being the regional language of Delhi, where our Registered Office is located), each with wide circulation, at least 2 (two) working days prior to the bid/ issue opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the emerge platform of National Stock Exchange of India Limited (“NSE Emerge”, referred to as the “Stock Exchange”) for the purpose of uploading on their website for further details kindly refer to chapter titled “*Terms of the issue*” beginning on page 177 of this Draft Red Herring Prospectus.

## 5. **Objects of the Issue**

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

Particulars	Estimated amount (in ₹ lakhs)
Gross proceeds of the Fresh Issue	Up to [●]
(Less) Issue expenses in relation to the Fresh Issue <sup>(2)</sup>	[●]
Net Proceeds <sup>(1)</sup>	[●]

<sup>(1)</sup> For details with respect to sharing of fees and expenses please refer to “*Issue Expenses*” on page 177.

<sup>(2)</sup> To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

## 6. **Utilization of Net Issue Proceeds**

(₹ in lacs)

Sr. No.	Particulars	Estimated amount
1.	Funding of the working capital requirement of our Company	Upto 1,550
2.	General corporate purposes*	[●]

\*The amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the Issue

For further details, please see chapter titled “*Objects of the Issue*” beginning on Page No. 64 of this Draft Red Herring Prospectus.

## 7. **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
Promoter			
1.	Kamruddin	29,43,500	42.05%
2.	Fatima Begum	14,70,700	21.01%
3.	Zakir Hussain Siddiqui	7,63,700	10.91%
4.	Asif Khan	6,30,000	9.00%
5.	Mohd Akram	5,95,000	8.50%
Promoter Group			
1.	Mohd Amaan	5,95,000	8.50%
2.	Dilshad Khan	700	0.1%
3.	Mohd. Sadiq	700	0.1%
Total		69,99,300	99.99%

Our Promoter Group holds shareholding in our Company.

For further details, please refer to the chapter titled “*Capital Structure*” beginning on Page No. 53 of this Draft Red Herring Prospectus

## 8. **Summary of Financial Information**

Following are the details as per the Restated Financial Information as at the period ended September 30, 2023 and Financial Years ended on March 31, 2023, 2022 and 2021:

(₹ in lacs)

S. No.	Particulars	September 30, 2023*	March 31, 2023	March 31, 2022	March 31, 2021
1.	Share Capital	100.00	63.17	63.17	63.17
2.	Net Worth	1,449.58	1,104.48	775.63	650.05
3.	Revenue from operations	6,531.80	12,263.01	8,659.18	5,332.50

4.	Profit after Tax	308.27	328.85	125.58	141.23
5.	Earnings per Share	45.60	52.06	19.88	22.36
6.	Net Asset Value per equity share	144.96	174.84	122.78	102.90
7.	Total borrowings	3,274.45	2,978.81	2,122.64	2,144.32

\*Not annualised

For further details, please refer to the section titled “*Financial Information*” beginning on Page No. 139 of this Draft Red Herring Prospectus.

**9. Auditor qualifications which have not been given effect to in the Restated Financial Information**

The Restated Financial Information does not contain any qualification by the Statutory Auditors:

**10. Summary of Outstanding Litigation**

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

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in Lakhs)
<b>Company</b>						
By the Company	5	Nil	Nil	Nil	2	89.95
Against the Company	Nil	22	Nil	Nil	2	153.52
<b>Directors</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoter</b>						
By Promoter	1	Nil	Nil	Nil	Nil	4.5
Against Promoter	Nil	5	Nil	Nil	Nil	0.71

For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” beginning on Page No. 159 of this Draft Red Herring Prospectus.

**11. Risk Factors**

Please refer to the section titled “*Risk Factors*” beginning on Page No. 27 of this Draft Red Herring Prospectus.

**12. Summary of Contingent Liabilities**

As per the Restated Financial Information for the period ended September 30, 2023 and Financial Years ended on March 31, 2023, 2022 and 2021, there are no contingent liabilities of our Company which have been recognized and reported in the Restated Financial Information. For further details, please refer to the chapter titled “*Restated Financial Statements*” beginning on Page No. 139 of this Draft Red Herring Prospectus.

**13. Summary of Related Party Transactions**

**Related Party Disclosures are given below:**

Based on restated financial statement (Rs. In Lakhs)



Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the period ended September 30, 2023	Amount outstanding as on September 30, 2023 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2023	Amount outstanding as on March 31, 2023 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2022	Amount outstanding as on March 31, 2022 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2021	Amount outstanding as on March 31, 2021 (Payable)/ Receivable
Asif Khan	Director	Remuneration	6.00	-	12.00	-	12.00	(1.72)	11.45	-
		Reimbursement of Expenses	15.34	(6.65)	10.42	(6.89)	2.66	(0.60)	2.21	(2.64)
		Loan Taken	10.00	-	10.00	(4.00)	6.00	(4.00)	4.00	(4.00)
		Loan Repaid	14.00	-	10.00	-	6.00	-	-	-
		Advance given	-	-	-	-	-	-	-	-
		Advance repaid	-	-	-	-	-	-	23.06	-
Kamruddin	Director	Remuneration	12.00	-	24.00	(9.19)	24.00	(1.76)	24.00	-
		Reimbursement of Expenses	22.46	(7.38)	-	-	6.33	(3.74)	0.10	(2.39)
		Loan Taken	-	(8.00)	20.00	(8.00)	22.33	(7.63)	13.00	(8.00)
		Loan Repaid	-	-	19.63	-	22.70	-	5.00	-
Fatima Begum	Director	Remuneration	3.00	-	6.00	(8.18)	6.00	(5.07)	6.00	(0.39)
		Reimbursement of Expenses	6.00	(0.65)	6.73	(0.43)	-	-	-	-
		Loan Taken	-	(4.00)	31.00	(4.00)	54.00	(13.78)	534.07	(3.53)
		Loan Repaid	-	-	40.78	-	43.75	-	530.54	-
		Advance given	-	-	-	-	-	-	-	-
		Advance repaid	-	-	-	-	-	-	37.53	-
		Rent expenses	0.60	(0.60)	1.20	(1.20)	1.20	(1.20)	-	-
Zakir Siddiqui Hussain	Director	Remuneration	9.00	-	18.00	-	18.00	-	18.00	-
		Advance given	-	-	-	-	-	-	-	-
		Advance repaid	-	-	-	-	-	-	26.55	-
		Loan Taken	66.93	(14.00)	20.00	(12.10)	21.00	(14.00)	14.00	(14.00)
		Loan Repaid	65.03	-	21.90	-	21.00	-	-	-
		Reimbursement of Expenses	2.89	(4.88)	82.79	(47.29)	25.15	(25.98)	35.49	(2.92)
Anam Siddiqui	Director	Commission	-	-	-	-	-	-	1.51	-
		Remuneration	2.52	(0.56)	7.20	-	0.60	(0.58)	-	-
Zeena Ftima	Relative of director	Remuneration	2.16	(0.53)	-	-	1.20	-	-	-
Mohd Akram	Director	Remuneration	3.00	(3.08)	6.00	(4.44)	6.00	(0.67)	5.73	(9.00)
Mohd Sadiq	Director	Remuneration	4.40	(2.53)	7.20	(2.09)	7.20	(2.51)	6.87	(2.98)
Servokon Engineers-Kanpur	Company in which director is Director	Sales (Incl GST)	-	38.91	61.74	46.91	691.92	46.98	905.10	165.72
		Purchase (Incl GST)	-	-	16.04	-	200.67	-	87.68	-
		Loan Taken	-	-	-	-	-	-	8.10	-
		Loan Repaid	-	-	-	-	-	-	8.10	-
		Rent received (Inl GST)	-	-	-	-	3.54	-	3.54	-
Servokon Engineers-Kashipur	Company in which director is Director	Loan Taken	-	-	-	-	5.00	-	-	-
		Loan Repaid	-	-	-	-	5.00	-	-	-
Servokon Royal Taj	Company in which director is Director	Loan Taken	-	-	1.80	(1.80)	-	-	-	-
		Loan Repaid	1.80	-	-	-	-	-	-	-
		Advance Given	-	-	-	-	235.00	-	-	-
		Advance repaid	-	-	-	-	235.00	-	-	-
MG Road Industrialist Welfare Association	Entity in which director is Director	Reimbursement of Expenses	-	-	0.10	-	0.05	-	-	-
India Islamic Culture Center (Delhi)	Company in which director is Director	Reimbursement of Expenses	-	-	-	-	0.12	-	-	-

For further details, please refer “Annexure: Related Party Disclosures” from the chapter titled “Restated Financial Information” beginning on Page No. 139 of this Draft Red Herring Prospectus.

**14. Financials Arrangements**

There are no financing arrangements whereby the Promoters, members of the 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 months immediately preceding the date of this Draft Red Herring Prospectus.

**15. Weighted Average Price of the Equity Shares acquired by our Promoters in the last one year preceding the date of this Draft Red Herring 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 Red Herring Prospectus is as follows:

Name of Promoters	No. of shares acquired in last one year from the date of this Draft Red Herring Prospectus	Weighted Average Price (in ₹)
Kamruddin	25,23,400	0.00
Fatima Begum	12,60,600	0.00
Zakir Hussain Siddiqui	7,63,600	1.43
Asif Khan	6,28,900	1.41
Mohd Akram	5,95,000	1.43

**16. 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 ₹)
Kamruddin	29,43,500	1.43
Fatima Begum	14,70,700	1.43
Zakir Hussain Siddiqui	7,63,700	1.43
Asif Khan	6,30,000	1.43
Mohd Akram	5,95,000	1.43

**17. 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.

**18. Issue of equity shares made in last one year for consideration other than cash**

Our Company has not issued shares for consideration other than cash during last one year except for issue of 60,00,000 bonus shares allotted on October 30, 2023. For further details regarding Issue of Shares please refer chapter titled “Capital Structure” on Page 53 of this Draft Red Herring Prospectus.

**19. 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 Red Herring Prospectus.

**20. 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.

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### 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 Red Herring 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. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate. 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 76, 83 and 148 of this Draft Red Herring 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 Red Herring 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 21 of this Draft Red Herring Prospectus.*

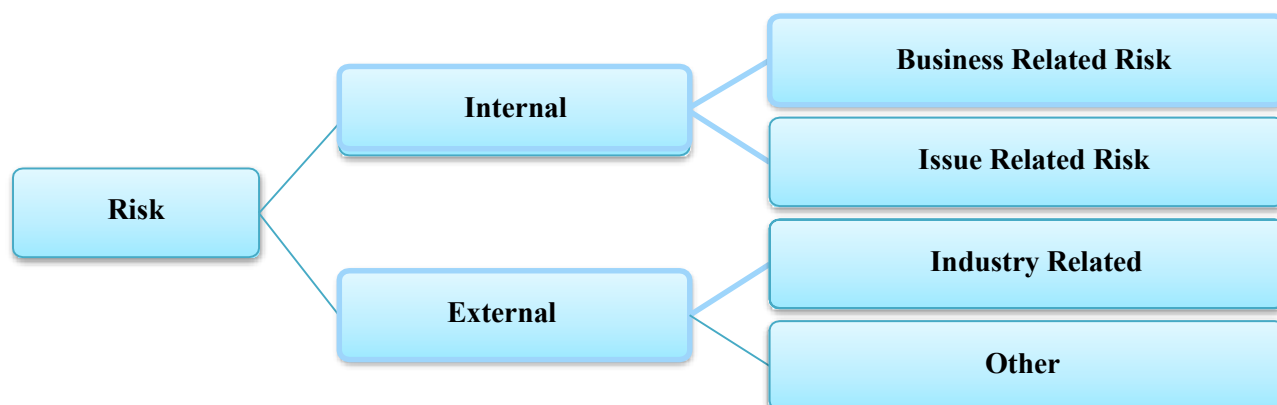
*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Restated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

#### **Classification of Risk Factors**



*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 Red Herring 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 Servokon Systems Limited.

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

## INTERNAL RISK FACTORS

### 1. *Our Registered Office from where we operate is not owned by us.*

Our Registered Office premise situated at C-13, Radhu Palace Road, Laxmi Nagar, Delhi, India, 110092 is not owned by us, it is taken on rental basis from our Promoter and Executive Director, Ms. Fatima Begum, being the owner of the property. We cannot assure you that we will be able to continue the above arrangement on commercially acceptable / favourable terms in future. If we are required to vacate the current premises, we would be required to make alternative arrangements for new office and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable/favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

### 2. *Our Company, its Directors and its Promoters are party to certain litigation and claims. These legal proceedings are pending at different levels of adjudication before various forums and regulatory authorities. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our reputation, business and financial status.*

There are outstanding legal proceedings involving the Promoters and Directors. These proceedings are pending at different levels of adjudication before various courts. The details of such outstanding litigations as at the date of this Draft Red herring Prospectus are as follows:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved (Rs in Lakhs)
<b>Company</b>						
By the Company	5	Nil	Nil	Nil	2	89.95
Against the Company	Nil	22	Nil	Nil	2	153.52
<b>Directors</b>						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Promoter</b>						
By Promoter	1	Nil	Nil	Nil	Nil	4.5
Against Promoter	Nil	5	Nil	Nil	Nil	0.71

We may be required to devote management and financial resources in the defence or prosecution of such legal proceedings. Should any new developments arise, including a change in Indian laws or rulings against us by the appellate courts or tribunals, we may face losses and we may have to make further provisions in our financial statements, which could increase our expenses and our liabilities. Decisions in such proceedings, adverse to our interests, may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Failure to successfully defend these or other claims, or if our current provisions prove to be inadequate, our business and results of operations could be adversely affected. Even if we are successful in defending such cases, we will be subject to legal and other costs relating to defending such litigation, and such costs could be substantial. In addition, we cannot assure you that similar proceedings will not be initiated in the future. Any adverse order or direction in these cases by the concerned authorities, even though not quantifiable, may have an adverse effect on our reputation, brand, business, results of operations and financial condition. For further details, please refer to "*Outstanding Litigation and Material Developments*" on page 159.

3. ***The absence of long-term contracts with our suppliers poses a potential threat to our business operations, as it may lead to increased costs resulting from higher raw material prices and could also result in potential delays in the availability of crucial resources.***

Our business operations face a significant risk due to the absence of long-term contracts with our suppliers, primarily centred on the potential escalation in raw material costs. The timely manufacture and delivery of our products hinge on both the availability and pricing of raw materials. Our preference for a per-order transactional approach with suppliers, rather than formal agreements, introduces uncertainty regarding future disruptions in supplier relationships. There is no assurance of procuring specific raw materials promptly and at commercially acceptable terms. This uncertainty not only poses the risk of production and delivery delays but, more critically, exposes us to the potential adverse impact on our business, prospects, operational results, and financial condition resulting from the associated increase in costs.

4. ***Our spatial limitations pose a potential threat to our ability to meet market demands and maintain competitive operations.***

The constrained spatial capacity of our manufacturing facility represents a notable risk factor for our operations. The limited space poses challenges to operational efficiency and scalability, potentially impeding our ability to meet growing product demand. The confined layout restricts the optimal organization of machinery and workstations, affecting overall workflow. As market demands increase, the existing space limitations may hinder our capacity to expand production capabilities. These constraints not only impact manufacturing processes but also present challenges in implementing effective logistics and storage solutions. To mitigate this risk, we are actively exploring strategic measures such as facility expansion or reorganization. However, the persistent spatial limitations pose a potential threat to our ability to meet market demands and maintain competitive operations.

5. ***Our company, along with our customers, participates in a fiercely competitive industry. Ineffectiveness in competing may result in adverse consequences for our business, financial health, operational outcomes***

Some competitors in our industry may possess superior design, engineering, manufacturing, and financial capabilities or have access to more extensive resources. Customers in our industry assess product suppliers based on factors such as manufacturing capabilities, speed, quality, engineering services, flexibility, and costs. This exposes us to the risk of competitors having superior resources, potentially influencing customer preferences. If our company fails to match the technological and skill developments of our competitors, customers may choose to transact with them instead. There is no assurance that we can consistently develop high-value solutions to retain existing business or attract new customers competitively. Furthermore, establishing a compelling advantage over our competitors remains uncertain.

6. ***We have had negative cash flows from Operating, investing and financing activities in the past and a consequent net decrease in cash and cash equivalents in some of the recent years.***

As per our Restated Financial Statements, our cash flows from operating, investing and financing activities were negative in the recent Fiscals as set out below:

(₹ in lacs)

Particulars	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Cash Flow from/(used in) Operating Activities	(129.46)	(366.47)	507.78	25.85
Net cash generated from/(used in) investing activities	(30.71)	(242.01)	(260.38)	(284.19)
Net Cash Flow from/(used in) Financing Activities	148.60	591.72	(259.10)	309.14

Such negative cash flows led to a net decrease in cash and cash equivalents for respective years. Any negative cash flow in future could adversely affect our operations and financial conditions and the trading price of our Equity Shares. For further details, see “Financial Information” on page 139.

7. ***Our Company has delayed in compliances with some statutory provisions of the Companies Act and delayed compliance may attract penalties against our company which could impact the financial position of us to that extent.***

In the past, there have been certain instances of delays in filing of e-Form MGT-14 for the purpose of accounts approval under the Companies Act, 2013 with the RoC. This filing was required annually for the financial year starting from 2014-2015. Subsequently, these forms have been filed by making the payment of an additional fee of Rs. 69,000 in total, as specified by RoC. Further there have been instances of non filing of Charge Forms.

No show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority in respect to the same. It cannot be assured, that there will not be such instances in the future or our Company will not commit any delays or defaults in relation to its reporting requirements or any penalty or fine will not be imposed by any regulatory authority in respect to the same. The happening of such event may cause a material effect on our results of operations and financial position.

**8. *Reliance has been placed on declarations and affidavits furnished by one of our Director for details of their profiles included in this Draft Red Herring Prospectus.***

One of our Director, Ms. Fatima Begum have been unable to trace copies of documents pertaining to her educational qualifications. Accordingly, reliance has been placed on affidavit furnished by her of educational qualifications in this Draft Red Herring Prospectus and we have not been able to independently verify these details. Therefore, we cannot assure you that all information relating to the educational background of Ms. Fatima Begum included in the section and “Our Management” beginning on page 115 of this Draft Red Herring Prospectus is complete, true and accurate.

**9. *Our top five customers contribute majority of our revenues from operations. Any loss of business from one or more of them may adversely affect our revenues and profitability.***

Our top five customers have contributed Rs. 781.448 Lakhs, Rs. 1225.883 Lakhs, Rs. 1361.415 Lakhs and Rs. 674.186 Lakhs out our revenues for the period ended September 30, 2023 and year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively based on Restated Financial Statements. However, our top customers may vary from period to period depending on the demand and thus the composition and revenue generated from these customers might change as we continue to add new customers in normal course of business. Since our business is concentrated among relatively few significant customers, we could experience a reduction in our results of operations, cash flows and liquidity if we lose one or more of these customers or the amount of business, we obtain from them is reduced for any reason, including but not limited on account of any dispute or disqualification. While we believe we have maintained good and long-term relationships with our customers, there can be no assurance that we will continue to have such long-term relationship with them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

**10. *Unsecured loan taken by our Company from our Promoters and Directors Mr. Kamruddin, Ms. Fatima Begum and Mr. Zakir Hussain Siddiqui can be recalled at any time.***

The unsecured loan taken by our Company from our Company from our Promoters and Directors Mr. Kamruddin, Ms. Fatima Begum and Mr. Zakir Hussain Siddiqui, can be recalled at any time. As on September 30, 2023, unsecured loan taken by our Company from the Promoters and Directors stood at ₹ 26.00 Lakhs. In the event that any lender seeks a repayment of any such loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. We may not have adequate working capital to meet business requirements of our Company, and, as a result, any such demand by the lenders may affect our business, cash flows, financial condition and results of operations.

For further details, see “Financial Indebtedness” on page 142 of this Draft Red Herring Prospectus.

**11. *Our Promoters and Directors 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 Directors 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 142 of this Draft Red Herring Prospectus.

**12. *The Objects of the Issue for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.***


The fund requirement and deployment, as mentioned in the “Objects of the Issue” on page 64 of this Draft Red Herring

Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter Objects of the Issue is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency and the audit committee of the Company will monitor the deployment of funds and provide disclosure for the same as per applicable provisions. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter Objects of the Issue will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.”

- 13. *Our individual Promoters plays key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our Promoter and Executive Directors remain associated with us. Our success also depends upon the services of our key managerial personnel and our ability to attract and retain key managerial personnel and our inability to attract them may affect our operations.***

We benefit from our relationship with our individual Promoters and our success depends upon the continuing services of our Promoters and executive Directors who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters and executive Directors have been actively involved in the day to day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters and executive Directors. If our Promoters and executive directors are unable or unwilling to continue in their present position, we may not be able to replace them easily or at all. Further, we rely on the continued services and performance of our key executives and senior management for continued success and smooth functioning of the operations of the Company. If we lose the services of any of our key managerial personnel, it may take reasonable time to locate suitable or qualified replacements and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our Promoters and executive Directors, along with the key managerial personnel, have over the years built relations with various customers and other persons who form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

- 14. *Our Company has applied for registration of the trademarks in its name. Until such registration is granted, we may not be able to prevent unauthorised use of such trademarks by third parties, which may lead to the dilution of our goodwill***

Our Company has made several applications under various classes for registration of our logo and our trade name under the Trade Mark Act, 1999 which are pending as on date. However, some of the applications bearing numbers 5793309, 5634625, 5634449, 6205115, 6189403 and 6189404 under classes 9, 20, 25, 7, 11 and 17 respectively for registration of our logo  and our trade name “SERVOKON” under the Trade Mark Act, 1999 are objected as on date. Our Company has filed replies against each objection which are pending as on date. There can be no assurance that we will be able to get these objections removed and the respective trademark applications registered.

Pending the registration of these trademarks, any other vendor in the similar line of business as ours may use the above-mentioned trademarks and we may have a lesser recourse to initiate legal proceedings to protect our intellectual property. Further, our applications for the registration of certain trademarks may be opposed by third parties, and we may have to incur significant cost in relation to these oppositions. In the event we are not able to obtain registrations due to opposition by third parties or if any injunctive or other adverse order is issued against us in respect of any of our trademarks for which we have applied for registration, we may not be able to use such trademarks and / or avail the legal protection or prevent unauthorized use of such trademarks by third parties, which may adversely affect our goodwill and business. For further details see “*Our Business - Intellectual Property*” and “*Government and Other Statutory Approvals*” on pages 83 and 164, respectively.

- 15. *We do not have firm commitment agreements with our customers. If our customers choose not to source their requirements from us, our business and results of operations may be adversely affected.***

We do not have firm commitment long-term supply agreements with all our customers and instead rely on purchase orders to govern the volume and other terms of our sales of products. Many of the purchase orders we receive from our customers specify a price per unit and delivery schedule, and the quantities to be delivered are determined closer to the date of delivery. However, such orders may be amended or cancelled prior to finalisation, and should such an amendment or cancellation take place, it may adversely impact our production schedules and inventories. Further, where we have contracts with customers, such contracts do not bind our customers to provide us with a specific volume of business and can be terminated by our customers with or without cause, with little or no advance notice and without compensation. Consequently, there is no commitment on the part of the customer to continue to place new work orders with us and as a result, our sales from period to period may fluctuate significantly as a result of changes in our customers' vendor preferences and we may be unable to procure repeat orders from our customers.



Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity.

Additionally, our customers have high and stringent standards for product quality and quantity as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation or non-renewal of contracts or purchase orders.

- 16. *Our operations heavily rely on manpower, and any issues such as employee unavailability, strikes, work stoppages, increased wage demands, or changes in regulations concerning could negatively affect our operational results impacting our sales.***

Our business is manpower intensive and we are dependent on the availability of our employees at our project locations. Unavailability or shortage of such a pool of workmen or any strikes, work stoppages or increased wage demands by workmen may have an adverse impact on our operational results impacting our sales.

Further, there can be no assurance that disruptions in our business will not be experienced if there are strikes, work stoppages or disputes. This may adversely affect our business operations.

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

We have entered into and may in the course of our business continue to enter into transactions specified in the Restated Financial Information contained in this Draft Red Herring Prospectus with related parties that include our Promoters, Directors and their relatives. For further details in relation to our related party transactions, see “*Related Party Transactions*” on page 139. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business and as per the Companies Act, 2013 and other applicable laws, there can be no assurance that we could not have achieved more favorable terms. Furthermore, it is likely that we may enter into related party transactions in the future.

There can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our financial condition and results of operations.

- 18. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the issue price.***

Our Promoters’ average cost of acquisition of Equity Shares are as follows.

<b>Name of Promoter</b>	<b>Number of Equity Shares Held</b>	<b>Average cost of acquisition (in Rs.)</b>
Kamruddin	29,43,500	1.43
Fatima Begum	14,70,700	1.43
Zakir Hussain Siddiqui	7,63,700	1.43
Asif Khan	6,30,000	1.43
Mohd Akram	5,95,000	1.43

- 19. *Our Company is subject to foreign exchange control regulations and foreign currency transactions which can pose a risk of currency fluctuations.***

Our Company is involved in business transactions with international clients and has conducted the same in accordance with the rules and regulations prescribed under FEMA. Further, our international operations make us susceptible to the risk of currency fluctuations, which may directly affect our operating results. In case we are unable to adhere to the timelines prescribed under the applicable laws or are unable to mitigate the risk of currency fluctuation, it could adversely affect our business, results of operations, financial conditions and cash flows.

- 20. *Our manufacturing facility is critical to our business. Any disruption in the continuous operation of our manufacturing facility would have a material adverse effect on our business, results of operations and financial condition.***

We have our manufacturing unit situated in Hapur district of Uttar Pradesh. As our revenue is derived from products manufactured in our facilities, any disruption, be it equipment failures, power issues, or regulatory compliance challenges, could lead to production shutdowns. The uninterrupted supply of our products is crucial to meeting customer expectations, making our reliance on consistent manufacturing operations a significant business vulnerability.

- 21. *Our inability to identify and understand evolving industry trends, technological advancements, customer preferences and develop new products to meet our customers’ demands may adversely affect our business.***



Our business is vulnerable to potential setbacks if we fail to keep pace with evolving industry trends, technological advancements, and changing customer preferences. Our inability to identify, understand, and respond to these dynamics by developing new products could have adverse effects on our operations and financial performance. Key concerns include Industry Trends, Technological Advancements, Customer Preferences, Competitive Position. To address these risks, we are committed to actively monitoring industry developments, conducting market research, and investing in research and development (R&D) efforts. Our goal is to foster innovation, engage with customers, and stay aligned with industry best practices. Nonetheless, there are no guarantees that these measures will fully protect us from the potential adverse impacts of failing to adapt to evolving market dynamics. Consequently, our business may be negatively affected if we cannot effectively identify, understand, and respond to these changes to meet our customers' evolving demands.

**22. *We are subject to counterparty credit risk and any delay in receipt or non-receipt of payments may adversely impact our financial condition and results of operations.***

There is no guarantee that we will accurately assess the creditworthiness of our customers. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause our customers to delay payments, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our clients. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected.

Our trade receivable balance at September 30, 2023 was ₹ 2117.67 Lakhs. If any of our customers have insufficient liquidity, we could encounter significant delays or defaults in payments owed to us by such customers, or we may extend our payment terms, which could adversely impact our financial condition and operating results. Any extensions or delays in payments owed to us could adversely impact our short-term cash flows.

**23. *Our insurance cover may not be adequate or we may incur uninsured losses or losses in excess of our insurance coverage.***

We could face liabilities or otherwise suffer losses should any unforeseen incident such as fire, flood, and accidents affect our office or manufacturing facility or in the region/area where our office and manufacturing facility are located. Although we maintain insurance coverage over our assets such as stocks, plant and machinery, equipment and have fire insurance, with additional cover for natural calamities such for our main offices and manufacturing facility, there are possible losses, which we may not have insured against or covered or wherein the insurance cover in relation to the same may not be adequate. We may face losses in the absence of insurance and even in cases in which any such loss may be insured, we may not be able to recover the entire claim from insurance companies. Any damage suffered by us in excess of such limited coverage amounts, or in respect of uninsured events, not covered by such insurance policies will have to be borne by us.

While we believe that we have obtained insurance against losses which are most likely to occur in our line of business, there may be certain risks which may not be covered by us, which we have not ascertained or anticipated as at date. Further, we cannot assure that we will be able to accurately ascertain and maintain adequate insurance for losses that may be incurred in the future. For more details on the insurance policies availed by us, see “Our Business - Insurance” on page 83.

**24. *Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial condition, results of operations and prospects.***

We have implemented various information technology (“IT”) and/or enterprise resource planning (“ERP”) solutions to cover key areas of our operations, procurement, dispatch and accounting. These systems are potentially vulnerable to damage or interruption from a variety of sources, which could result in a material adverse effect on our operations. Disruption or failure of our IT systems could have a material adverse effect on our operations. A large-scale IT malfunction could disrupt our business or lead to disclosure of sensitive company information. Our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions (including those due to equipment damage, power outages, computer viruses and a range of other hardware, software and network problems).

A significant or large-scale malfunction or interruption of one or more of our IT systems could adversely affect our ability to keep our operations running efficiently and affect product availability. In addition, it is possible that a malfunction of our data system security measures could enable unauthorized persons to access sensitive business data, including information relating to our intellectual property or business strategy or those of our customers. Such malfunction or disruptions could cause economic losses for which we could be held liable. A failure of our information

technology systems could also cause damage to our reputation which could harm our business. Any of these developments, alone or in combination, could have a material adverse effect on our business, financial condition and results of operations.

Further, unavailability of, or failure to retain, well trained employees capable of constantly servicing our IT and/or ERP systems may lead to inefficiency or disruption of IT system thereby adversely affecting our ability to operate efficiently. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption (including due to human error or sabotage) may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, meet business objectives based on IT initiatives such as product life cycle management, manage our creditors, debtors, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition, results of operations and prospects.

**25. *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. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks, and to avoid fraud.

**26. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see “Dividend Policy” on page 138 of this Draft Red Herring Prospectus.

**27. *Our Promoters and Promoter Group will continue to exercise significant influence over us and may cause us to take actions that are not in the best interest of our other shareholders.***

After the completion of the Issue, our Promoters along with the Promoter Group and other relatives will collectively hold substantial shareholding in our Company. So long as our Promoters own a significant portion of our Equity Shares, they will be able to significantly influence the election of our Directors and control most matters affecting us, including our business strategies and policies, decisions with respect to mergers, business combinations, acquisitions or dispositions of assets, dividend policies, capital structure and financing, and may also delay or prevent a change of management or control, even if such a transaction may be beneficial to other shareholders of us.

Our Promoters will continue to determine decisions requiring majority voting of shareholders and our other shareholders may not be able to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of the Company or that of other shareholders. The interests of our Promoters, as the controlling shareholders of us, may also conflict with our interests or the interests of our other shareholders.

**28. *Our Company operation and growth is dependent upon successfully implementation our business strategies.***

The success of our business depends substantially on our ability to implement our business strategies effectively, like expansion of our product range with a focus on value added products. We have successfully executed our business strategies in the past but there can be no guarantee that we can implement the same on time and within the estimated budget going forward, or that we will be able to meet the expectations of our targeted customers. Changes in regulations applicable to us may also make it difficult to implement our business strategies. Failure to implement our business strategies would have a material adverse effect on our business and the results of operations.

**29. *We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our operations and reputation.***

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees

may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

- 30. *We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our business and our manufacturing facility, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations.***

Our Company has obtained all the material approvals required to carry on its business activities as on the date of this Draft Red Herring Prospectus. For details, see “**Government and Other Approvals**” and “**History and Certain Corporate Matters**” on pages 164 and 112 respectively.

Many of these approvals are granted for a fixed period of time and are required to be renewed from time to time. Non-renewal of the said permits and licenses would adversely affect our operations, thereby having a material effect on our business, results of operations and financial condition. Further, certain permits, licenses and approvals obtained by our Company are conditional in nature. While our Company endeavors to meet such conditions, we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, renew, maintain or obtain the required permits, licenses or approvals, or revocation, cancellation or suspension of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. There can be no assurance that the relevant authorities will issue any or all such permits or approvals in the time-frame anticipated by us or at all. Non-receipt of the aforesaid license would result in payment of fines under the respective laws. We are also required to make certain payments to various statutory authorities from time to time, including but not limited to payments pertaining to employee provident fund, employee state insurance, income tax. Any failure or delay in payment of such statutory dues may expose us to statutory and regulatory action, as well as significant penalties, and may adversely impact our business, results of operations and financial condition.

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

Since the Offer size is less than Rs.10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Offer. The deployment of these funds raised through this Offer, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Offer proceeds could adversely affect our finances.

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

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we were not required to incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations.

There can be no assurance that we will be able to satisfy our reporting obligations. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner. Failure of our Company to meet the listing requirements of stock exchange, if any, could lead to imposition of penalties, including suspension of trading in shares of the Company.

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

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

- 34. *We are susceptible to risks relating to unionization of our employees employed by us.***

None of our employees are currently represented by a recognized collective bargaining agreement. We cannot assure you that our employees will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. We also cannot assure you that we will not experience disruptions in our

work due to disputes or other problems with our workforce. If not resolved in a timely manner, these risks could limit our ability to provide our services to our clients, or result in an increase in our cost of employee benefits and other expenses. If any of these risks materialize, our business, results of operations and financial condition could be affected.

## ISSUE RELATED RISK

### 35. *We have issued Equity Shares in the last twelve months at price lower than the Offer Price.*

Our Company has issued 60,00,000 Bonus Equity shares and 3,68,300 Right Equity shares at a price lower than the issue price during the last twelve months from the date of this Draft Red Herring Prospectus. The details of the issues are as under:

#### Bonus Issue:

Date of Allotment	Name of Allottee	No. of Equity Shares allotted	Issue Price
October 30, 2023	Kamruddin	25,23,000	Nil
	Fatima Begum	12,60,600	
	Zakir Hussain Siddiqui	6,54,600	
	Dilshad Khan	600	
	Manzoor Alam	600	
	Asif Khan	5,40,000	
	Mohd. Akram	5,10,000	
	Mohd. Amaan	5,10,000	
	Mohd. Sadiq	600	
	<b>Total</b>	<b>60,00,000</b>	

#### Right Issue:

Date of Allotment	Name of Allottee	No. of Equity Shares allotted	Issue Price
September 08, 2023	Kamruddin	400	10/-
	Zakir Hussain Siddiqui	1,09,000	10/-
	Asif Khan	88,900	10/-
	Mohd. Akram	85,000	10/-
	Mohd. Amaan	85,000	10/-
	<b>Total</b>	<b>3,68,300</b>	<b>10/-</b>

### 36. *We cannot assure you that our Equity Shares will be listed on the NSE EMERGE in a timely manner or at all, which may restrict your ability to dispose of the equity shares.*

Though we shall make best of our efforts to comply with all applicable regulatory, financial and operational requirements for getting the equity shares proposed to be offered through this Draft Red Herring Prospectus listed on NSE EMERGE platform in a time bound manner, yet on account of any change in applicable laws, economic conditions and/or any other reason/s beyond our control, the said shares may not get listed on the EMERGE platform of NSE in a timely manner or at all, which may restrict your ability to dispose of the equity shares. However, even in such circumstances, the company shall stay fully committed to pay such interest and/or refund the full application amount, as may be required in accordance with the applicable regulatory directives.

### 37. *Any future issuance of Equity Shares or convertible securities, including options under any stock option plan or other equity linked securities may dilute your shareholding, and significant sales of Equity Shares by our major shareholders, may adversely affect the trading price of our Equity Shares.*

Future issuances of Equity Shares by our Company after this Offer will dilute investors holdings in our Company. Further, any significant sales of Equity Shares after this Offer may adversely affect the trading price of our Equity Shares. In addition, the perception that such issuance or significant sales of Equity Shares may occur may adversely affect the trading price of our Equity Shares and impair our future ability to raise capital through offerings of Equity Shares.

### 38. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time*

Following the Offer, we will be subject to a daily "Circuit Breaker" imposed by NSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchange based on the historical volatility in the price and trading volume of the Equity Shares.

**39. *After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop***

The price of the Equity Shares on the Stock Exchange may fluctuate as a result of the factors, including

- Volatility in the Indian and global capital market;
- Company's results of operations and financial performance;
- Performance of Company's competitors,
- Adverse media reports on Company or pertaining to our Industry;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India's economic and fiscal policies; and
- Significant developments in India's environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

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

The Issue Price of our Equity Shares has been determined by book building method. This price is based on numerous factors (For further information, please refer chapter titled "Basis for Issue Price" beginning on page 70 of this Draft Red Herring Prospectus) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price include without limitation. The following:

- Half yearly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

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

Pursuant to the SEBI ICDR Regulations, 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 or withdraw their Bids during the Bid/Offer Period. While our Company is required to complete Allotment pursuant to the Issue within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the 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 Issue or cause the trading price of the Equity Shares to decline on listing.

**42. *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.

**43. *Delay in raising funds from the IPO could adversely impact the implementation schedule***

The proposed fund requirement, for working capital requirement, general corporate purposes and issue expenses, primarily, as detailed in the chapter titled "Objects of the Issue" beginning on page 64 is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.

We, therefore, cannot assure that we would be able to execute our future plans/strategy within the estimated time frame.

**44. *We propose to utilize the Net Proceeds for purposes identified in the section titled “Objects of the Issue” in this Draft Red Herring Prospectus. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior Shareholders” approval.***

We intend to use Net Proceeds towards meeting the funding of the working capital requirements of the Company and General corporate purposes. We intend to deploy the Net Proceeds in financial year 2024-25 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Net Proceeds, please refer chapter titled Objects of the Issue beginning on page 64 of this Draft Red Herring Prospectus. The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled Objects of the Issue of this Draft Red Herring Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue. However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. However, in accordance with Section 27 of the Companies Act, 2013, and relevant provisions of SEBI ICDR Regulations, 2018, a company shall not vary the objects of the Issue without our Company being authorize to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoter and controlling shareholders shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short-term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs.1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

**EXTERNAL RISK FACTOR**

**46. *Natural calamities and force majeure events may have an adverse impact on our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**47. *The Indian tax regime is currently undergoing substantial changes which could adversely affect our business.***

The goods and service tax (“GST”) that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments.

As regards the General Anti-Avoidance Rules (“GAAR”), The general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18. The GAAR provisions intend to declare an arrangement as an “impermissible avoidance arrangement”, if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a

manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

**48. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and industry in which we operate contained in the Draft Red Herring Prospectus.***

While facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various web site data and IBEF that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “Industry Overview” beginning on page 76 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**49. *A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law***

There are provisions in Indian law that may discourage a third party from attempting to take control over us, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Under the Takeover Regulations an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change in control of us.

**50. *Our ability to raise foreign capital may be constrained by Indian law***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Regulatory restrictions may limit our financing sources for our projects under development and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that an adverse effect on our ability to raise foreign capital, which in turn may affect our business, prospects, financial condition and results of operation.

**51. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.***

A public limited company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain their existing ownership, prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by a three-fourths majority of the equity shareholders voting on such resolution.

If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

**52. *Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.***

Our Company is incorporated in India, and the majority of our assets are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- Any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;

- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its ER&D sector; international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;

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

Any adverse revisions to India's credit ratings international debt by international rating agencies may adversely affect our ability to raise additional overseas financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of our Equity Shares.

**54. *We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.***

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

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

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

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## **SECTION IV - INTRODUCTION**

### **THE ISSUE**

The following table summarises the Issue details of this Draft Red Herring Prospectus:

Issue of Equity Shares <sup>(1) (2)</sup>	Up to 30,00,000 Equity Shares of face value of ₹ 10/- each fully paid up of our company at a price of ₹ [●] per Equity share aggregating up to ₹ [●] lakhs
<b><i>of which:</i></b>	
Market Maker Portion Reservation	Issue of [●] Equity Shares having a face value of ₹ 10/- each at a price of ₹ [●] per Equity Shares aggregating ₹ [●] lakhs
Net Issue to Public <sup>(3)</sup>	Issue of [●] Equity Shares having a face value of ₹ 10/- each at a price of ₹ [●] per Equity Shares aggregating ₹ [●] lakhs
<b><i>Out of which*:</i></b>	
A. QIB Portion <sup>(4) (5)</sup>	Not more than [●] Equity Shares aggregating to ₹ [●] Lakhs
Of Which	
(a) Anchor Investor Portion	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
(b) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
Of which:	
(i) Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding Anchor Investor Portion))	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
(ii) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>B. Non-Institutional Category</b>	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>C. Retail Portion</b>	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>Pre and post-Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	70,00,000 Equity Shares of face value of ₹10/- each
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares of face value of ₹10/- each
<b>Use of Net Proceeds</b>	Please refer “ <i>Objects of the Issue</i> ” on page 64 for further information about the use of the Net Proceeds.

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

#### **Notes:**

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on October 05, 2023 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on October 30, 2023.
- 3) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.
- 4) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.
- 5) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager

and the Designated Stock Exchange, subject to applicable laws.

- 6) Our Company in consultation with the Book Running Lead Manager, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. Onethird of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of undersubscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “*Issue Procedure*” beginning on page 187 of this Draft Red Herring Prospectus.

For details, including grounds for rejection of Bids, refer to “*Issue Structure*” and “*Issue Procedure*” on page 184 and 187, respectively. For details of the terms of the Issue, see “*Terms of the Issue*” on page 177.

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## SUMMARY OF FINANCIAL INFORMATION

*The following tables provide the summary of financial information of our Company derived from the Restated Financial Information for the period ended September 30, 2023 and for the Financial Years ended March 31, 2023, 2022 and 2021. The Restated Financial Information referred to above is presented under the section titled “Financial Information” beginning on Page No. 139 of this Draft Red Herring Prospectus. The summary of financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and the chapters titled “Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” beginning on Page Nos. 139 and 148, respectively of this Draft Red Herring Prospectus.*

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# Servokon Systems Limited

CIN: U32301DL1995PLC068876

## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE - I  
(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1)	<b>EQUITY AND LIABILITIES</b>					
	<b><u>Shareholders Funds</u></b>					
	a. Share Capital	V	100.00	63.17	63.17	63.17
	b. Reserves & Surplus	VI	1,349.58	1,041.31	712.46	586.88
2)	<b><u>Non - Current Liabilities</u></b>					
	a. Long-term Borrowings	VII	1,523.35	1,283.90	1,285.78	1,451.71
	b. Deferred Tax Liabilities	VIII	-	-	8.68	9.19
	c. Long-term Provisions	IX	76.67	68.37	52.53	59.96
3)	<b><u>Current Liabilities</u></b>					
	a. Short Term Borrowings	X	1,751.10	1,694.90	836.86	692.61
	b. Trade Payables	XI				
	- Due to Micro, Small and Medium Enterprises		-	-	-	-
	- Due to Others		2,353.06	1,795.00	1,937.33	1,988.41
	c. Other Current liabilities	XII	1,257.66	1,053.17	534.13	210.93
	d. Short Term Provisions	XIII	94.39	64.55	24.42	21.33
<b>T O T A L</b>			<b>8,505.81</b>	<b>7,064.38</b>	<b>5,455.36</b>	<b>5,084.19</b>
1)	<b>ASSETS</b>					
	<b><u>Non Current Assets</u></b>					
	a. Property, Plant & Equipment and Intangible Assets	XIV				
	- Property, Plant & Equipment		983.70	1,012.38	911.77	777.79
	- Intangible Assets		18.45	23.05	41.81	-
	- Capital Work-in-Progress		-	-	-	-
	b. Non-Current Investments	XV	0.40	0.40	0.40	0.40
	c. Deferred Tax Assets	VIII	11.25	3.38	-	-
	d. Long-term Loans & Advances	XVI	1,188.56	848.52	399.02	262.61
	e. Other Non-current assets	XVII	8.76	18.28	17.82	17.27
2)	<b><u>Current Assets</u></b>					
	a. Inventories	XVIII	3,686.90	3,031.98	2,647.64	2,607.71
	b. Trade Receivables	XIX	2,117.67	1,713.70	1,074.90	1,129.50
	c. Cash and Bank Balance	XX	275.81	231.29	223.29	223.47
	d. Short term loan and advances	XXI	214.31	181.40	138.71	65.44
<b>T O T A L</b>			<b>8,505.81</b>	<b>7,064.38</b>	<b>5,455.36</b>	<b>5,084.19</b>

See accompanying annexures forming part of the restated financial statements (Refer Annexure No. IV to XLIV)

M/s Manish pandey & Associates  
Chartered Accountants  
FRN - 019807C

For and on behalf of the Board of Directors of  
Servokon Systems Limited

Sd/-  
Praveen Kumar sarin  
Partner  
Mem No- 073473  
UDIN - 24073473BK CZVS7816

Sd/-  
Zakir Siddiqui Hussain  
(Whole - time Managing Director)  
DIN - 00452052

Sd/-  
Kamruddin  
(Managing Director)  
DIN - 00451893

Place : New Delhi  
Date : 22-01-2024

Sd/-  
Sheeraz Khan  
(CFO)  
PAN : CSBPK6639L

Sd/-  
Piyush Sudhir Kale  
(Company Secretary)  
PAN : HIMPK2313F

Place : New Delhi  
Date : 22-01-2024

Place : New Delhi  
Date : 22-01-2024

# Servokon Systems Limited

CIN: U32301DL1995PLC068876

## STATEMENT OF PROFIT AND LOSS AS RESTATED

ANNEXURE - II  
(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A</b>	<b>INCOME</b>					
	Revenue from Operations	XXII	6,531.80	12,263.01	8,659.18	5,332.50
	Other Income	XXIII	51.96	109.09	86.49	72.07
	<b>Total Income (A)</b>		<b>6,583.76</b>	<b>12,372.10</b>	<b>8,745.67</b>	<b>5,404.57</b>
<b>B</b>	<b>EXPENDITURE</b>					
	Cost of material consumed	XXIV	5,011.30	10,168.33	6,215.07	4,960.43
	Direct Expenses	XXV	342.19	533.35	240.52	144.41
	Changes In Inventories Of Work In Progress ,Finished Goods & Stock-In-Trade	XXVI	(172.19)	(801.32)	804.21	(739.92)
	Employee benefits expense	XXVII	308.04	490.89	358.30	298.73
	Finance costs	XXVIII	183.88	264.45	237.42	199.53
	Depreciation and amortization expense	XXIX	74.01	169.70	93.06	56.77
	Other expenses	XXX	413.88	1,093.17	625.73	311.38
	<b>Total Expenses (B)</b>		<b>6,161.11</b>	<b>11,918.57</b>	<b>8,574.31</b>	<b>5,231.33</b>
<b>C</b>	<b>Profit before tax</b>		<b>422.65</b>	<b>453.53</b>	<b>171.36</b>	<b>173.24</b>
<b>D</b>	<b>Tax Expense:</b>					
	(i) Current tax	XXXVI	122.27	136.73	46.29	48.74
	(ii) Deferred tax expenses/(credit)	VIII	(7.89)	(12.05)	(0.51)	(16.73)
	<b>Total Expenses (D)</b>		<b>114.38</b>	<b>124.68</b>	<b>45.78</b>	<b>32.01</b>
<b>E</b>	<b>Profit for the year (C-D)</b>		<b>308.27</b>	<b>328.85</b>	<b>125.58</b>	<b>141.23</b>
<b>F</b>	<b>Earnings per share (Face value of ₹ 10/- each):</b>					
	i. Basic		<b>45.60</b>	<b>52.06</b>	<b>19.88</b>	<b>22.36</b>
	ii. Diluted		<b>45.60</b>	<b>52.06</b>	<b>19.88</b>	<b>22.36</b>

See accompanying annexures forming part of the restated financial statements (Refer Annexure No. IV to XLIV)

M/s Manish pandey & Associates  
Chartered Accountants  
FRN - 019807C

For and on behalf of the Board of Directors of  
Servokon Systems Limited

Sd/-

Praveen Kumar sarin  
Partner  
Mem No- 073473  
UDIN - 24073473BKCVS7816

Sd/-

Zakir Siddiqui Hussain  
(Whole - time Managing Director)  
DIN - 00452052

Sd/-

Kamruddin  
(Managing Director)  
DIN - 00451893

Sd/-

Sheeraz Khan  
(CFO)  
PAN : CSBPK6639L

Sd/-

Piyush Sudhir Kale  
(Company Secretary)  
PAN : HIMP2313F

Place : New Delhi  
Date : 22-01-2024

Place : New Delhi  
Date : 22-01-2024

# Servokon Systems Limited

CIN: U32301DL1995PLC068876

## STATEMENT OF CASH FLOW AS RESTATED

## ANNEXURE - III

(₹ In Lakhs)

Particulars	For the Period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash Flow From Operating Activities:</b>				
Net Profit before tax as per Profit And Loss A/c	422.65	453.53	171.36	173.24
<b>Adjustments for:</b>				
Finance Cost	183.88	264.45	237.42	199.53
Gratuity Provision	10.38	16.86	12.27	8.64
Interest Income	(9.99)	(9.56)	(7.77)	(7.84)
Profit on sale of fixed asset	-	-	(0.70)	(1.70)
Bad debts written off	-	-	-	13.52
Depreciation and Amortisation Expense	74.01	169.70	93.06	56.77
<b>Operating Profit Before Working Capital Changes</b>	<b>680.93</b>	<b>894.98</b>	<b>505.64</b>	<b>442.16</b>
Adjusted for (Increase)/Decrease in operating assets				
Inventories	(654.92)	(384.33)	(39.93)	(455.68)
Trade receivables	(403.97)	(638.80)	54.60	(190.65)
Loans & advances	(372.97)	(492.19)	(209.68)	140.92
Other assets	(46.56)	(25.23)	(12.07)	(80.09)
Adjusted for Increase/(Decrease) in operating liabilities:				
Trade payables	558.06	(142.32)	(51.09)	208.40
Other current liabilities and provisions	204.48	519.03	322.57	18.56
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>(34.95)</b>	<b>(268.86)</b>	<b>570.05</b>	<b>83.62</b>
Net Income Tax paid/ refunded	(94.51)	(97.61)	(62.27)	(57.77)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(129.46)</b>	<b>(366.47)</b>	<b>507.78</b>	<b>25.85</b>
Purchase of property, plant & equipment and intangible assets	(40.70)	(251.57)	(270.66)	(295.19)
Sale of property, plant & equipment	-	-	2.51	3.16
Interest Income Received	9.99	9.56	7.77	7.84
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(30.71)</b>	<b>(242.01)</b>	<b>(260.38)</b>	<b>(284.19)</b>
<b>Cash Flow from Financing Activities:</b>				
Proceeds/(Repayment) of Borrowings	295.65	856.17	(21.68)	508.67
Fresh Issue of Right shares	36.83	-	-	-
Finance Cost Paid	(183.88)	(264.45)	(237.42)	(199.53)
<b>Net Cash Flow from/(used in) Financing Activities: (C)</b>	<b>148.60</b>	<b>591.72</b>	<b>(259.10)</b>	<b>309.14</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(11.57)	(16.77)	(11.71)	50.81
Cash & Cash Equivalents As At Beginning of the Year	38.35	55.11	66.82	16.01
Cash & Cash Equivalents As At End of the Year	<b>26.78</b>	<b>38.35</b>	<b>55.11</b>	<b>66.82</b>

See accompanying annexures forming part of the restated financial statements (Refer Annexure No. IV to XLIV)

Note: The Cash Flow Statements has been prepared under Indirect Method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under section 133 of the Companies Act, 2013.

M/s Manish pandey & Associates  
Chartered Accountants  
FRN - 019807C

For and on behalf of the Board of Directors of  
Servokon Systems Limited

Sd/-  
Praveen Kumar sarin  
Partner  
Mem No- 073473  
UDIN - 24073473BKCZVS7816

Sd/-  
Zakir Siddiqui Hussain  
(Whole - time Managing Director)  
DIN - 00452052

Sd/-  
Kamruddin  
(Managing Director)  
DIN - 00451893

Place : New Delhi  
Date : 22-01-2024  
UDIN - 24073473BKCZVS7816

Sd/-  
Sheeraz Khan  
(CFO)  
PAN : CSBPK6639L

Sd/-  
Piyush Sudhir  
Kale  
(Company Secretary)  
PAN : HIMP2313F

Place : New Delhi

Date : 22-01-2024

## GENERAL INFORMATION

Our Company was incorporated on May 23, 1995 under the name and style of ‘*Servokon Systems Private Limited*’, a private limited company under the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, N.C.T of Delhi & Haryana. Pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on October 03, 2005, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to ‘*Servokon Systems Limited*’ and a fresh certificate of incorporation dated March 28, 2006 was issued to our Company by the Registrar of Companies, N.C.T of Delhi & Haryana. The corporate identification number of our Company is U32301DL1995PLC068876. For further details including details of change in registered office of our Company, please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 112 of this Draft Red Herring Prospectus.

<b>Registered Office</b>	C-13, Radhu Palace Road Laxmi Nagar, Delhi, India, 110092 <b>Telephone:</b> +91 9873630786 <b>E-mail:</b> <a href="mailto:compliance@servokon.com">compliance@servokon.com</a> <b>Website:</b> <a href="http://www.servokon.com">www.servokon.com</a> <b>CIN:</b> U32301DL1995PLC068876
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### Address of Registrar of Companies

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

4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019

### Board of Directors of our Company

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

S. No.	Name	Designation	DIN	Address
1.	Kamruddin	Managing Director	00451893	B-150, Priyadarshini Vihar, Laxmi Nagar, East Delhi, Delhi - 110092
2.	Fatima Begum	Executive Director	00451922	B-150, Priyadarshini Vihar, Laxmi Nagar, East Delhi, Delhi - 110092
3.	Zakir Hussain Siddiqui	Chairman, Chief Executive Officer and Whole-time director	00452052	B-150, Priyadarshini Vihar, Laxmi Nagar, East Delhi, Delhi - 110092
4.	Asif Khan	Executive Director	07755168	B-150, Priyadarshini Vihar, Near LPS School, Laxmi Nagar, East Delhi, Delhi – 110092
5.	Mohd Akram	Executive Director	10269802	B-150, Priyadarshini Vihar, Laxmi Nagar, Gandhi Nagar, East Delhi, Delhi – 110092
6.	Mohd Amaan	Non - Executive Director	10272039	B-150, Priyadarshini Vihar, Near LPS School, Laxmi Nagar, Gandhi Nagar, East Delhi, Delhi – 110092
7.	Arun Kumar Sharma	Independent Director	09623795	5 New Vaishali Society, Oppsite Rajpath Club, Bodakdev, Ahmedabad - 380015
8.	Roy Mathrani	Independent Director	10389790	Vasant Kunj Police Station, House No.1394, Vasant Kunj, South West, Delhi
9.	Shehzad Mohd Khan	Independent Director	10391773	B-108, Sector 72, Gautam Buddha Nagar, Noida -201301, Uttar Pradesh

For detailed profile of our Directors, please refer to the chapter titled “*Our Management*” on page 115 of the Draft Red Herring Prospectus.

Chief Financial Officer	Company Secretary & Compliance Officer
Sheeraz Khan Servokon Systems Limited <b>Address:</b> C-13, Radhu Palace Road Laxmi Nagar, Delhi, India, 110092 <b>Telephone:</b> +91 9711844786 <b>E-mail:</b> <a href="mailto:cfo@servokon.com">cfo@servokon.com</a>	Piyush Sudhir Kale Servokon Systems Limited <b>Address:</b> C-13, Radhu Palace Road Laxmi Nagar, Delhi, India, 110092 <b>Telephone:</b> +91 9873630786 <b>E-mail:</b> <a href="mailto:compliance@servokon.com">compliance@servokon.com</a>

### Investor grievances

**Investors can contact the Company Secretary and Compliance Officer, the BRLM 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, non credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

All grievances relating to the issue other than the Anchor Investors 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 Bidders should give full details such as name of the sole or first Bidder, ASBA Form number, Bidder DP ID, Client ID, PAN, date of the ASBA Form, details of UPI IDs (if applicable), address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the ASBA Bidder.

Further, the investors shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the Anchor Investors may be addressed to the BRLM, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form.

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager.

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

<b>Book Running Lead Manager to the Issue</b>	<b>Registrar to the Issue</b>
<b>GYR Capital Advisors Private Limited</b> 428, Gala Empire, Near JB Tower, Drive in Road, Thaltej, Ahemdabad-380 054, Gujarat, India. <b>Telephone:</b> +91 87775 64648 <b>Fax:</b> N.A. <b>Email ID:</b> <a href="mailto:info@gyrcapitaladvisors.com">info@gyrcapitaladvisors.com</a> <b>Website:</b> <a href="http://www.gyrcapitaladvisors.com">www.gyrcapitaladvisors.com</a> <b>Investor Grievance ID:</b> <a href="mailto:investors@gyrcapitaladvisors.com">investors@gyrcapitaladvisors.com</a> <b>Contact Person:</b> Mohit Baid <b>SEBI Registration Number:</b> INM000012810	<b>Maashitla Securities Private Limited</b> 451, Krishna Apra Business Square, Netaji Subhash Place, Pitampura, New Delhi, 110034, India. <b>Tel:</b> +91-11-45121795 <b>Email:</b> <a href="mailto:investor.ipo@maashitla.com">investor.ipo@maashitla.com</a> <b>Website:</b> <a href="http://www.maashitla.com">www.maashitla.com</a> <b>Contact Person:</b> Mr. Mukul Agrawal <b>SEBI Registration Number:</b> INR000004370 <b>CIN :-</b> U67100DL2010PTC208725
<b>Legal Advisor to the Issue</b>	<b>Statutory and Peer Review Auditor of our Company</b>
<b>Vidhigya Associates, Advocates</b> 501, 5th Floor, Jeevan Sahakar Building Sir P M Road, Homji Street Fort, Mumbai - 400 001 <b>Tel No:</b> +91 8424030160 <b>Email:</b> <a href="mailto:rahul@vidhigyaassociates.com">rahul@vidhigyaassociates.com</a> <b>Contact Person:</b> Rahul Pandey	<b>Manish Pandey &amp; Associates</b> B 102, First Floor, Sector 6, Noida-201301, Uttar Pradesh <b>Tel No:</b> +91 9837043495 <b>Email:</b> <a href="mailto:sai_prv@yahoo.co.in">sai_prv@yahoo.co.in</a> <b>Contact Person:</b> Praveen Kumar Sarin <b>Membership No.:</b> 073473 <b>Firm Registration No.:</b> 019807C <b>Peer Review Certificate No.:</b> 014953
<b>Bankers to our Company</b>	
<b>HDFC Bank Limited</b> Plot No. 1, Manak Vihar Delhi <b>Tel:</b> +91 8840969162 <b>Facsimile:</b> 8840969162 <b>Email:</b> <a href="mailto:akhand.singh8@hdfcbank.com">akhand.singh8@hdfcbank.com</a> <b>Website:</b> <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> <b>Contact person:</b> Mr. Akhand Pratap Singh	<b>Bank of Baroda</b> B218, Priyadarshini Vihar, Delhi - 110092 <b>Email:</b> <a href="mailto:VJKHKKH@bankofbaroda.com">VJKHKKH@bankofbaroda.com</a> <b>Website:</b> <a href="http://www.bankofbaroda.co.in">www.bankofbaroda.co.in</a> <b>Contact person:</b> Archana Singh
<b>ICICI Bank Limited</b> Vikas Marg, Delhi <b>Tel:</b> +91 8527095764 <b>Facsimile:</b> NA <b>Email:</b> <a href="mailto:sreerekha.s@icicibank.com">sreerekha.s@icicibank.com</a> <b>Website:</b> <a href="http://www.icicibank.com">www.icicibank.com</a> <b>Contact person:</b> Sreerekha	<b>Kotak Mahindra Bank</b> A7, Ground Floor, Bharti Artist Colony, Preet Vihar, Vikas Marg, Delhi – 110092 <b>Tel :</b> +91 9711310140 <b>Email :</b> <a href="mailto:dhiraj.shrivastava@kotak.com">dhiraj.shrivastava@kotak.com</a> <b>Website:</b> <a href="http://www.kotak.com">www.kotak.com</a> <b>Contact person:</b> Dhiraj Shrivastava



Banker to the Issue*	Sponsor Bank*
[●]	[●]
Refund Bank*	Syndicate Member*
[●]	[●]

\*The Banker to the Issue, Refund Bank, Sponsor Bank and Syndicate Member shall be appointed prior to filing of the Prospectus with the RoC.

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

### IPO Grading

Since the Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

### 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 opinion:

Our Company has received written consent dated January 22, 2024 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 Red Herring 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 January 22, 2024 on our restated financial information; and (ii) its report dated January 22, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

## Inter-se Allocation of Responsibilities

GYR Capital Advisors Private Limited being the sole Book Running 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

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, a copy of Draft Red Herring Prospectus shall be furnished to the Board. Pursuant to SEBI Circular Number 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>. Further, a copy of this Draft Red Herring Prospectus, will be filed with the EMERGE Platform of National Stock Exchange of India Limited, where the Equity Shares are proposed to be listed.

A copy of the Red Herring Prospectus, along with the material contracts and documents will also be filed with the RoC under Section 26 and Section 32 of the Companies Act, 2013 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 Change	Reason for change
<b>Manish Pandey &amp; Associates</b> B 102, First Floor, Sector 6, Noida-201301, Uttar Pradesh <b>Email:</b> <a href="mailto:sai_prv@yahoo.co.in">sai_prv@yahoo.co.in</a> <b>Firm Registration No.:</b> 019807C	January 10, 2024	Appointment under Casual vacancy due to resignation by Previous auditor.
<b>M/S. Neeraj Satish And Associates</b> Chartered Accountants D-3/62, Sec-5, Rajendra Nagar, Sahibabad- 201005, Uttar Pradesh-UP <b>Email:</b> <a href="mailto:neeraj_satish@yahoo.co.in">neeraj_satish@yahoo.co.in</a> <b>Firm Registration No.:</b> 016028N	January 05, 2024	Resignation by Auditor due to pre – occupancy of work

## BOOK BUILDING PROCESS

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

Principal parties involved in the Book Building Process are-

- Our Company;

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

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

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price.

Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, other than Anchor Investors are mandatorily required to use the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process..

In accordance with the SEBI ICDR Regulations, QIB and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Anchor Investors are not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill – over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under – subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled “*Issue Procedure*” beginning on page 187 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 187 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are

shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

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

#### Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 187 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### Bid/Issue Program:

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

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and National Stock Exchange of India Limited Emerge taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack

of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

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

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

## **WITHDRAWAL OF THE ISSUE**

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

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

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

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

## **UNDERWRITING AGREEMENT**

After the determination of the Price Band, but prior to the filing of the Red Herring Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue and we shall disclose the details of signed underwriting agreement in the Red Herring Prospectus. The Underwriting Agreement is dated [●].

Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain

conditions specified therein:

Pursuant to the terms of the Underwriting Agreement dated [●] entered into by Company, Underwriters, the obligations of the Underwriters are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

<b>Name, address, telephone number and e-mail address of the Underwriters</b>	<b>Indicative Number of Equity Shares to be Underwritten</b>	<b>Amount Underwritten</b>	<b>% of the total Issue size</b>
[●]	[●]	[●]	[●]

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

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

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

Our Company has entered into a Market Making Agreement dated [●] with the following Market Maker for fulfilling the Market Making obligations under this Issue:

Name, address, telephone number and e-mail address of the Market Maker	Indicative Number of shares	Amount	% of the total Issue size
[•]	[•]	[•]	[•]

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

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI ICDR Regulations, as amended from time to time and the circulars issued by National Stock Exchange of India Limited 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. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the [•] Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above [•] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, National Stock Exchange of India Limited may intimate the same to SEBI after due verification.
6. 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.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on Issue price.
8. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily / fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker 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.
11. 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 Book Running Lead Manager 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 Manager 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.
12. **Risk containment measures and monitoring for Market Maker:** EMERGE Platform of National Stock Exchange of India Limited will have all margins which are applicable on the National Stock Exchange of India Limited Main Board

viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. National Stock Exchange of India Limited can impose any other margins as deemed necessary from time-to-time.

13. **Punitive Action in case of default by Market Maker:** EMERGE Platform of National Stock Exchange of India Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
14. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct / manipulation / other irregularities by the Market Maker from time to time.
15. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for Issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
  - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.
16. Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME platform.

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

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.

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

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%

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

## CAPITAL STRUCTURE

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

(in ₹, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 1,00,00,000 Equity Shares having Face Value of ₹ 10/- each	10,00,00,000	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 70,00,000 Equity Shares having Face Value of ₹10/- each	7,00,00,000	-
C	<b>Present Issue in terms of this Draft Red Herring Prospectus*</b> Upto 30,00,000 Equity Shares having Face Value of ₹ 10/-each at a Premium of ₹ [●] per share	[●]	[●]
	<i>Which comprises of:</i>		
D	<b>Reservation for Market Maker Portion</b> [●] Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	<b>Net Issue to Public</b> Net Issue to Public of [●] Equity Shares of ₹10/- each at a price of ₹[●] per Equity Share to the Public	[●]	[●]
	<i>Of which:</i>		
	i. At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
	ii. At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	iii. Not more than [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Qualified Institutional Buyers	[●]	[●]
F	<b>Issued, Subscribed and Paid up Equity Share Capital after the Issue**</b>		
	Upto [●] Equity Shares of face value of ₹10/- each		[●]
G	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Draft Red Herring Prospectus)		Nil
	After the Issue		[●]

\* The present Issue has been authorized pursuant to a resolution of our Board dated October 05, 2023 and a special resolution of our Shareholders at an Extra-Ordinary General Meeting dated October 30, 2023 under Section 62(1)(c) of the Companies Act, 2013.

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

### Classes of Shares

Our Company has only one class of share capital i.e. Equity Shares of face value of ₹ 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 Red Herring Prospectus.

### NOTES TO THE CAPITAL STRUCTURE

#### 1) Details of changes in Authorized Share Capital of our Company

The current authorised capital of our Company is ₹ 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 Equity Shares of ₹ 10/- each. Further, the changes in authorised share capital of our Company are provided in the manner set forth below:



Date of Shareholder's Meeting	Particulars of Change		AGM/EGM
	From	To	
March 05, 2002	₹ 5,00,000 consisting of 50,000 Equity Shares of ₹ 10 each	₹ 20,00,000 consisting of 2,00,000 Equity Shares of ₹ 10 each	EGM
March 18, 2015	₹ 20,00,000 consisting of 2,00,000 Equity Shares of ₹ 10 each	₹ 1,00,00,000 consisting of 10,00,000 Equity Shares of ₹ 10 each	EGM
October 16, 2023	₹ 1,00,00,000 consisting of 10,00,000 Equity Shares of ₹ 10 each	₹ 10,00,00,000 consisting of 1,00,00,000 Equity Shares of ₹ 10 each	EGM

## 2) History of Paid up Equity Share Capital our Company:

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

Date of Allotment	No. of Equity Shares	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative paid - up Capital (₹)
On Incorporation	200	10	10	Cash	Subscription to Memorandum of Association <sup>(1)</sup>	200	2,000
May 07, 1998	16,500	10	10	Cash	Further allotment <sup>(2)</sup>	16,700	1,67,000
February 02, 1999	9,000	10	10	Cash	Further allotment <sup>(3)</sup>	25,700	2,57,000
March 30, 2000	20,000	10	10	Cash	Further allotment <sup>(4)</sup>	45,700	4,57,000
June 01, 2004	1,35,000	10	10	Cash	Further allotment <sup>(5)</sup>	1,80,700	18,07,000
February 08, 2018	4,51,000	10	10	Cash	Right issue <sup>(6)</sup>	6,31,700	63,17,000
September 08, 2023	3,68,300	10	10	Cash	Right issue <sup>(7)</sup>	10,00,000	1,00,00,000
October 30, 2023	60,00,000	10	Nil	Other than Cash	Bonus Issue <sup>(8)</sup>	70,00,000	7,00,00,000

<sup>(1)</sup> Subscription to the MOA for the total of 200 Equity Shares by Kamruddin (100 Equity Shares) and Fatima Begum (100 Equity Shares).

<sup>(2)</sup> Further Allotment of a total of 16,500 Equity Shares to Kamruddin (7,500 Equity Shares) and Fatima Begum (9,000 Equity Shares).

<sup>(3)</sup> Further Allotment of a total of 9,000 Equity Shares to Manzoor Alam (1,500 Equity Shares), N.A Khan (3,000 Equity Shares), Khamsa Jabeen (3,000 Equity Shares) and Shiv Ratan Singh Kushwaha (1,500 Equity Shares).

<sup>(4)</sup> Further Allotment of a total of 20,000 Equity Shares to Kamruddin.

<sup>(5)</sup> Further Allotment of a total of 1,35,000 Equity Shares to Kamruddin (50,000 Equity Shares and Fatima Begum (85,000 Equity Shares).

<sup>(6)</sup> Right Issue of a total of 4,51,000 Equity Shares to Kamruddin (3,40,000 Equity Shares), Fatima Begum (1,10,000 Equity Shares) and Asif Khan (1,000 Equity Shares).

<sup>(7)</sup> Right Issue of a total of 3,68,300 Equity Shares to Kamruddin (400 Equity Shares), Zakir Hussain Siddiqui ( 109000 Equity Shares ), Asif Khan (88900 Equity Shares), Mohd Akram (85000 Equity Shares) and Mohd Amaan (85000 Equity Shares),

<sup>(8)</sup> Bonus Issue of a total of 60,00,000 Equity Shares in the ratio of 6 Equity Share for every 1 Equity Share held to Kamruddin (2523000 Equity Shares), Fatima Begum (1260600 Equity Shares), Zakir Hussain Siddiqui (654600 Equity Shares), Dilshad Khan (600 Equity Shares), Manzoor Alam (600 Equity Shares), Asif Khan (540000 Equity Shares), Mohd. Akram (510000 Equity Shares), Mohd. Amaan (510000 Equity Shares) and Mohd. Sadiq (600 Equity Shares).

## 3) Preference Share capital history of our Company

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

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

- Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares Issued
October 30, 2023	60,00,000	10	Nil	Bonus issue in the ratio of 6 Equity Shares issued for every 01 Equity Share held by the existing Equity Shareholder authorised by our Board, pursuant to a resolution passed at its meeting held on October 06, 2023, and by our Shareholders pursuant to a resolution passed at the EGM held on October 30, 2023. <sup>(1)</sup>	-	Bonus Issued out of Reserves and Surplus

(1) For list of allottees see note (8) of paragraph titled "History of Paid up Equity Share Capital our Company" mentioned above.

- As of date of this Draft Red Herring Prospectus, our Company has not undertaken a bonus issue by capitalizing its revaluation reserves.
- 5) As of date of this Draft Red Herring 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.
- 6) Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- 7) Except as stated below, 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 Red Herring Prospectus:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue Price	Nature of allotment	Benefit accrued to our Company	Source out of which Bonus Shares Issued
October 30, 2023	60,00,000	10	Nil	Bonus issue in the ratio of 6 Equity Shares issued for every 01 Equity Share held by the existing Equity Shareholder authorised by our Board, pursuant to a resolution passed at its meeting held on October 06, 2023, and by our Shareholders pursuant to a resolution passed at the EGM held on October 30, 2023. <sup>(1)</sup>	-	Bonus Issued out of Reserves and Surplus
September 08, 2023	3,68,300	10	10	Right Issue <sup>(2)</sup>	-	-

(1) For list of allottees see note (8) of paragraph titled "History of Share capital of our Company" mentioned above.

(2) For list of allottees see note (7) of paragraph titled "History of Share capital of our Company" mentioned above

#### 8) Shareholding Pattern of our Company

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

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Category (I)	Category of Shareholder (II)	No. of Shareholders (III)	No. of fully paid-up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depositary receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of Shares underlying outstanding convertible securities (including warrants)	Shareholding as a % assuming full conversion of convertible securities No. (a)	No. of locked-in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								Class (Equity)	Total	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)	
(A)	Promoters and Promoter Group	8	69,99,300	-	-	69,99,300	99.99	69,99,300	69,99,300	99.99	-	99.99	-	-	-	-	69,99,300*
(B)	Public	1	700	-	-	700	0.01	700	700	0.01	-	0.01	-	-	-	-	700*
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying depository receipt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>		9	70,00,000	-	-	70,00,000	100	70,00,000	70,00,000	100	-	100	-	-	-	-	70,00,000

\*The application for credit of the shares has been made with the depositories.

9) **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 80% or more of the paid-up share capital and the number of shares held by them as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Kamruddin	29,43,500	42.05%
2.	Fatima Begum	14,70,700	21.01%
3.	Zakir Hussain Siddiqui	7,63,700	10.91%
4.	Asif Khan	6,30,000	9%
5.	Mohd. Akram	5,95,000	8.5%
6.	Mohd. Amaan	5,95,000	8.5%
<b>Total</b>		<b>69,97,900</b>	<b>99.97%</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 Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Kamruddin	29,43,500	42.05%
2.	Fatima Begum	14,70,700	21.01%
3.	Zakir Hussain Siddiqui	7,63,700	10.91%
4.	Asif Khan	6,30,000	9.00%
5.	Mohd. Akram	5,95,000	8.50%
6.	Mohd. Amaan	5,95,000	8.50%
<b>Total</b>		<b>69,97,900</b>	<b>99.97%</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 from the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Kamruddin	4,20,100	66.50%
2.	Fatima Begum	2,10,100	33.26%
<b>Total</b>		<b>6,30,200</b>	<b>99.76%</b>

- 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 Red Herring Prospectus:

Sr. No.	Particulars	No. of Equity Shares	% of Shares to Pre – Issue Equity Share Capital
1.	Kamruddin	4,20,100	66.50%
2.	Fatima Begum	2,10,100	33.26%
<b>Total</b>		<b>6,30,200</b>	<b>99.76%</b>

- 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 Red Herring 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 Red Herring Prospectus.
- 10) 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.

11) **Shareholding of our Promoters**

Set forth below are the details of the build-up of shareholding of our Promoters:

Date of Allotment and made fully paid up/ Transfer	Nature of Transaction	Consideration	No. of Equity Shares	F.V (in Rs.)	Issue / Transfer Price (in Rs.)	Cumulative no. of Equity Shares	% of Pre-Issue Equity Paid Up Capital	% of Post-Issue Equity Paid Up Capital	No. of Shares Pledged	% of shares pledged
<b>Mr. Kamruddin</b>										
May 23, 1995	Upon Subscription to MOA	Cash	100	10	10	100	Negligible	[●]	N.A.	N.A.
May 07, 1998	Further Allotment	Cash	7,500	10	10	7,600	0.10	[●]	N.A.	N.A.
March 30, 2000	Further Allotment	Cash	20,000	10	10	27,600	0.39	[●]	N.A.	N.A.
October 31, 2002	Transfer from Manzoor Alam	Cash	1,500	10	10	29,100	0.41	[●]	N.A.	N.A.
October 31, 2002	Transfer from Shiv Ratan Singh Kushwaha	Cash	1,500	10	10	30,600	0.43	[●]	N.A.	N.A.
April 01, 2004	Transfer to Zakir Hussain Siddiqui	Cash	(10)	10	10	30590	0.43	[●]	N.A.	N.A.
June 01, 2004	Further Allotment	Cash	50,000	10	10	80590	1.15	[●]	N.A.	N.A.
August 28, 2004	Transfer to Munni Begum	Cash	(10)	10	10	80580	1.15	[●]	N.A.	N.A.
August 15, 2005	Transfer to Zakir Hussain Siddiqui	Cash	(80)	10	10	80,500	1.15	[●]	N.A.	N.A.
August 15, 2005	Transfer to Dilshad Khan	Cash	(100)	10	10	80,400	1.14	[●]	N.A.	N.A.
August 15, 2005	Transfer to Mohd. Mukhtar	Cash	(100)	10	10	80,300	1.14	[●]	N.A.	N.A.
August 15, 2005	Transfer to Dr. Harbansh Lal Bhalla	Cash	(100)	10	10	80,200	1.14	[●]	N.A.	N.A.
August 15, 2005	Transfer to Manzoor Alam	Cash	(100)	10	10	80,100	1.14	[●]	N.A.	N.A.
February 08, 2018	Rights Issue	Cash	3,40,000	10	10	4,20,100	6.00	[●]	N.A.	N.A.
September 08, 2023	Rights Issue	Cash	400	10	10	4,20,500	6.00	[●]	N.A.	N.A.
October 30, 2023	Bonus Issue	Consideration other than cash	25,23,000	10	Nil	29,43,500	42.05	[●]	N.A.	N.A.
<b>Ms. Fatima Begum</b>										
May 23, 1995	Upon Subscription to MOA	Cash	100	10	10	100	Negligible	[●]	N.A.	N.A.
May 07, 1998	Further Allotment	Cash	9,000	10	10	9,100	0.13	[●]	N.A.	N.A.

August 03, 1999	Transfer from N.A. Khan	Cash	3,000	10	10	12,100	0.17	[●]	N.A.	N.A.
November 25, 1999	Transfer from Khamsa Jabeen	Cash	3,000	10	10	15,100	0.21	[●]	N.A.	N.A.
June 01, 2004	Further Allotment	Cash	85,000	10	10	1,00,100	1.43	[●]	N.A.	N.A.
February 08, 2018	Rights Issue	Cash	1,10,000	10	10	2,10,100	3.00	[●]	N.A.	N.A.
October 30, 2023	Bonus Issue	Consideration other than cash	12,60,600	10	Nil	14,70,700	21.01	[●]	N.A.	N.A.
<b>Mr. Zakir Hussain Siddiqui</b>										
April 01, 2004	Transfer from Kamruddin	Cash	10	10	10	10	Negligible	[●]	N.A.	N.A.
August 15, 2005	Transfer from Kamruddin	Cash	80	10	10	90	Negligible	[●]	N.A.	N.A.
August 15, 2005	Transfer from Munni Begum	Cash	10	10	10	100	Negligible	[●]	N.A.	N.A.
September 08, 2023	Rights Issue	Cash	1,09,000	10	10	1,09,100	1.55	[●]	N.A.	N.A.
October 30, 2023	Bonus Issue	Consideration other than cash	6,54,600	10	Nil	7,63,700	10.91	[●]	N.A.	N.A.
<b>Mr. Asif Khan</b>										
February 08, 2018	Rights Issue	Cash	1,000	10	10	1,000	0.01	[●]	N.A.	N.A.
March 30, 2021	Transfer from Harbansh Bhalla	Cash	100	10	10	1,100	0.01	[●]	N.A.	N.A.
September 08, 2023	Rights Issue	Cash	88,900	10	10	90,000	1.28	[●]	N.A.	N.A.
October 30, 2023	Bonus Issue	Consideration other than cash	5,40,000	10	Nil	6,30,000	9.00	[●]	N.A.	N.A.
<b>Mr. Mohd Akram</b>										
September 08, 2023	Rights Issue	Cash	85,000	10	10	85,000	1.21	[●]	N.A.	N.A.
October 30, 2023	Bonus Issue	Consideration other than cash	5,10,000	10	Nil	5,95,000	8.50	[●]	N.A.	N.A.

12) As on the date of the Draft Red Herring Prospectus, the Company has Nine (09) shareholders.

13) The details of the Shareholding of the members of the Promoter Group as on the date of this Draft Red Herring 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 Post-Issue Equity Share Capital
1.	Mohd. Amaan	5,95,000	8.5	[●]	[●]
2.	Dilshad Khan	700	0.01	[●]	[●]
3.	Mohd. Sadiq	700	0.01	[●]	[●]
<b>Total</b>		<b>5,96,400</b>	<b>8.52</b>	<b>[●]</b>	<b>[●]</b>

14) Except as mentioned below, there were no shares purchased/sold by the Promoter(s) and Promoter Group, directors of our Company and their relatives during last six months:

Date of Allotment/ transfer	Name of Allottee/ Transferee	Party Category	Number of Shares Allotted/ Transferred	Face Value	Issue Price/ Transfer Price	Reason of Allotment/ Transfer
July 15, 2023	Mohd. Sadiq	Promoter Group	100	10	10	Gift
October 30, 2023	Kamruddin	Promoter	25,23,000	10	NA	Bonus
October 30, 2023	Fatima Begum	Promoter	12,60,600	10		
October 30, 2023	Zakir Hussain Siddiqui	Promoter	6,54,600	10		
October 30, 2023	Dilshad Khan	Promoter Group	600	10		
October 30, 2023	Asif Khan	Promoter and Director	5,40,000	10		
October 30, 2023	Mohd. Akram	Promoter and Director	5,10,000	10		
October 30, 2023	Mohd. Amaan	Director	5,10,000	10		
October 30, 2023	Mohd. Sadiq	Promoter Group	600	10		

- 15) 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 Red Herring Prospectus.

16) **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 ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post-Issue paid-up capital	Period of lock-in
<b>Mr. Kamruddin</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years
<b>SUB- TOTAL</b>						[●]	
<b>Ms. Fatima Begum</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years
<b>SUB- TOTAL</b>						[●]	
<b>Mr. Zakir Hussain Siddiqui</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years
<b>SUB- TOTAL</b>							
<b>Mr. Asif Khan</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years
<b>SUB- TOTAL</b>						[●]	
<b>Mr. Mohd Akram</b>							
[●]	[●]	[●]	[●]	[●]	[●]	[●]	3 years

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 ₹)	Issue / Acquisition Price per Equity Share (in ₹)	Nature of consideration (cash / other than cash)	% of fully diluted post-Issue paid-up capital	Period of lock-in
<i>Mr. Kamruddin</i>							
<b>SUB- TOTAL</b>						<b>[•]</b>	

\* Subject to finalisation of Basis of Allotment.

(1) For a period of three years from the date of allotment.

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

(3) All Equity Shares held by our Promoters are in dematerialized form.

For details of the build-up of the Equity Share capital held by our Promoters, see chapter titled “**Capital Structure - Details of the Build-up of our Promoters’ shareholding**” on Page No. 53.

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’ 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 Red Herring Prospectus till the date of commencement of lock in period as stated in this Draft Red Herring 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’ 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 transferred 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 transferred 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.

- 17) Our Company, our Promoters, our Directors and the Book Running Lead Manager have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.
- 18) The post-Issue paid up Equity Share Capital of our Company shall not exceed the authorised Equity Share Capital of our Company.
- 19) 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 Red Herring Prospectus.
- 20) 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.
- 21) 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 Red Herring Prospectus until the Equity Shares have been listed on the Stock Exchange or all application monies have been refunded, as the case may be.
- 22) 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 Red Herring Prospectus.
- 23) 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.
- 24) 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 Red Herring Prospectus and the date of closure of the Issue, shall be reported to the Stock Exchanges within 24 hours of the transaction.
- 25) 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 Red Herring Prospectus.
- 26) As on the date of this Draft Red Herring Prospectus, the Book Running 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 BRLM 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.
- 27) Our Promoters and the members of our Promoter Group will not participate in the Issue.
- 28) Following are the details of Equity Shares of our Company held by our Directors, Key Management Personnel:

Sr. No.	Name of Director	Number of Equity Shares	% of the pre-Issue Equity Share Capital
1)	Kamruddin	29,43,500	42.05%
2)	Fatima Begum	14,70,700	21.01%
3)	Zakir Hussain Siddiqui	7,63,700	10.91%
4)	Asif Khan	6,30,000	9%
5)	Mohd. Akram	5,95,000	8.5%
6)	Mohd. Amaan	5,95,000	8.5%

- 29) Our Company has not raised any bridge loans which are proposed to be repaid from the proceeds of the Issue.
- 30) Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under “Basis of Allotment” in the chapter titled “**Issue Procedure**” beginning on Page No. 187 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (1) of SEBI (ICDR) Regulations, as amended from time to time.
- 31) 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.

- 32) 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.
- 33) 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 BRLM and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines
- 34) 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.
- 35) As on date of this Draft Red Herring 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.

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## OBJECTS OF THE ISSUE

We intend to utilize the Proceeds of the Issue, after deducting the Issue related expenses, as estimated to be ₹ [●] lakhs (the “**Net Proceeds**”).

Our Company proposes to utilize the Net Proceeds from the Issue towards the following objects:

1. Funding working capital requirements of our Company; and
2. General Corporate Purposes.

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

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

The main objects clause and objects incidental and ancillary to the main objects as set out in the Memorandum of Association of our Company enable our Company to undertake its existing activities and the activities proposed to be funded from the Net Proceeds.

### Issue Proceeds

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

(₹ in lakhs)

Particulars	Estimated amount <sup>(1)</sup>
Gross Proceeds from the Issue	[●]
(Less) Issue related expenses	[●]
<b>Net Proceeds</b>	[●]

<sup>(1)</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.

### Requirement of Funds and Utilization of Net Proceeds

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

(₹ in lakhs)

Sr. No.	Particulars	Estimated amount
1.	Funding working capital requirements of our Company	Up to 1,550.00
2.	General corporate purposes <sup>(1)(2)</sup>	[●]

<sup>(1)</sup>To be finalized on determination of the Issue Price and updated in the Prospectus prior to filing with the ROC.

<sup>(2)</sup>The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

### Schedule of implementation and Means of Finance

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

(₹ in lakhs)

Sr. No.	Particulars	Total estimated cost	Amount which will be financed from Net Proceeds <sup>(1)</sup>	Estimated Utilisation of Net Proceeds	
				Financial Year 2023-24	Financial Year 2024-25
1.	Funding working capital requirements of our Company	1,550.00	1,550.00	-	1,550.00
2.	General corporate purposes <sup>(1)</sup>	[●]	[●]	[●]	[●]
<b>Total</b>		[●]	[●]	[●]	[●]

<sup>(1)</sup>To be finalised upon determination of Issue Price. The amount shall not exceed 25% of the gross proceeds of the Issue

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions competitive environment and interest or exchange rate fluctuations, increase in input costs of construction materials and labour costs, logistics and transport costs incremental preoperative expenses, taxes and duties, interest and finance charges, engineering procurement and construction costs, working capital margin, regulatory costs, environmental factors and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the

expenditure for a particular purpose, at the discretion of our management, subject to compliance with applicable law. Moreover, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Issue in accordance with the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscals towards the aforementioned Objects.

The fund requirements mentioned above are based on the internal management estimates of our Company, and have not been verified by the Book Running Lead Manager or appraised by any bank, financial institution. The fund requirements are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, costs of commodities and interest 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, our 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, our management may explore a range of options including utilising our internal accruals or seeking debt financing.

### **Means of Finance**

The entire fund requirements for our Objects are proposed to be funded from the Net Proceeds and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, in addition to the Net Proceeds, under SEBI ICDR Regulations and Paragraph 9(C)(1) of Part A of Schedule VI of the SEBI ICDR Regulations. Subject to applicable laws, in case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders.

### **Deployment of Funds and Sources of Funds**

As on date of this Draft Red Herring Prospectus, our Company has not deployed any funds towards the Objects of the Issue.

### **Details of the Objects**

#### ***1. Funding the working capital requirements of our Company***

Our Company proposes to utilise up to ₹ 1,550 lakhs from the Net Proceeds towards funding its working capital requirements in Fiscal 2025.

We have significant working capital requirements, and we fund our working capital requirements in the ordinary course of business from our internal accruals/equity and financing facilities from various banks, financial institutions and non-banking financial companies. Our Company requires additional working capital for funding future growth requirements of our Company. As of March 31, 2023, the aggregate amount sanctioned by the banks to our Company under the fund based working capital facilities from Banks and FI's amounted to ₹ 1,541.60 lakhs. For details of the working capital facilities availed by us, see "*Financial Indebtedness*" on page 142.

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

The details of our existing Company's working capital as at September 30, 2023 and the source of funding, derived from the financial statements of our Company, as certified by our Statutory Auditor through their certificate dated January 22, 2024, are provided in the table below. On the basis of the existing and estimated working capital requirement of our Company on a standalone basis, and assumptions for such working capital requirements, our Board pursuant to its resolution dated January 22, 2024 has approved the estimated working capital requirements for Fiscals 2024 and 2025 as set forth below:

(₹ lakhs)

Particulars	Fiscal 2020 (Restated)	Fiscal 2021 (Restated)	Fiscal 2022 (Restated)	Fiscal 2023 (Restated)	Period ended September 30, 2023 (Restated)	Fiscal 2024 (Estimated)	Fiscal 2025 (Projected)
<b>Current Assets</b>							
Inventories	2,607.71	2,647.64	3,031.98	3,686.90	2,607.71	4,229.08	4,651.99
Trade Receivables	1,129.50	1,074.90	1,713.70	2,117.67	1,129.50	2,435.32	2,800.62
Cash and Bank Balances	223.47	223.29	231.29	275.81	223.47	362.81	399.09
Short term loan and advances	65.44	138.71	181.40	214.31	65.44	254.41	279.85
<b>Total (A)</b>	<b>4026.12</b>	<b>4084.54</b>	<b>5158.37</b>	<b>6294.69</b>	<b>4026.12</b>	<b>7,281.62</b>	<b>8,131.55</b>
<b>Current Liabilities</b>							
Trade Payables	1,988.41	1,937.33	1,795.00	2,353.06	1,988.41	2,546.50	2,673.82
Other Current Liabilities & Short Term Provision	232.26	558.55	1,117.72	1,352.05	232.26	1,635.98	1,717.78
<b>Total (B)</b>	<b>2,220.67</b>	<b>2,495.88</b>	<b>2,912.73</b>	<b>3,705.11</b>	<b>2,220.67</b>	<b>4,182.48</b>	<b>4,391.60</b>
<b>Total Working Capital (A)-(B)</b>	<b>1,805.46</b>	<b>1,588.66</b>	<b>2,245.65</b>	<b>2,589.57</b>	<b>1,805.46</b>	<b>3,099.14</b>	<b>3,739.95</b>
<b>Funding Pattern</b>							
I) Borrowings for meeting working capital requirements	847.49	849.80	1,565.32	1,541.60	847.49	1,233.28	863.30
II) Networth / Internal Accruals	957.97	738.86	680.33	1,047.97	957.97	1,865.86	1,326.65
III) Proceeds from IPO	-	-	-	-	-	-	1,550.00

Note: Pursuant to the certificate dated January 22, 2024 issued by the Statutory Auditor.

Our Company shall also fund the incremental working capital requirements by availing loan facilities.

#### Assumptions for our estimated working capital requirements

Particulars	Holding Level for year/period ended					Fiscal 2025 (Projected)
	Fiscal 2021 (Restated)	Fiscal 2022 (Restated)	Fiscal 2023 (Restated)	Period ended 30 <sup>th</sup> September, 2023 (Restated)	Fiscal 2024 (Estimated)	
	(in Days)	(in Days)	(in Days)	(in Days)	(in Days)	(in Days)
Inventories	199	132	105	119	154	145
Trade Receivables	71	46	42	54	72	70
Trade Payables	134	90	60	61	84	82

#### Key assumptions for working capital requirements

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

S. No.	Particulars	Assumptions
<b>Current Assets</b>		
1.	Inventories	In fiscal 2021, the prolonged inventory holding period of 199 days indicates an inefficient supply chain or overproduction. The subsequent reduction to 132 days in fiscal 2022 suggests successful inventory management, aligning production with demand. Further optimization is evident in fiscal 2023, where the holding period dropped to 105 days, signaling enhanced efficiency. However, the slight increase to 119 days in September 2023 may indicate a temporary adjustment or evolving market dynamics. Despite fluctuations, the cost of material consumed has generally increased. The estimated rise to 154 days in fiscal 2024 due to increased production capacity or a precautionary measure against supply chain disruptions. Looking ahead to fiscal 2025, the company aims to optimize its inventory management, as evidenced by the estimated decrease to

S. No.	Particulars	Assumptions
		145 days in fiscal 2025. This proactive approach reflects the company's commitment to maintaining a balanced inventory level, ensuring operational efficiency and minimizing carrying costs.
2.	Trade receivables	<p>The trade receivables holding levels for the company in the manufacturing industry of electronic transformers and voltage stabilizers parts have seen fluctuations over the years. In fiscal 2021, the holding period was 71 days, which reduced significantly to 46 days in fiscal 2022. The trend continued in fiscal 2023, with a further decrease to 42 days, indicating efficient management of receivables. However, by the period ending September 30, 2023, the holding period increased to 54 days, possibly due to changing market dynamics.</p> <p>For fiscal 2024, the estimated holding period is 72 days, reflecting a potential increase in the time taken to collect receivables. The projection for fiscal 2025 maintains a slightly reduced holding period of 70 days. This suggests a cautious approach to managing trade receivables, possibly influenced by the industry's payment cycles and market conditions. In terms of revenue, the company witnessed substantial growth from 5,332.50 lakhs in fiscal 2021 to 12,263.01 lakhs in fiscal 2023. The sales figure for the period ending September 30, 2023, stands at 6,531.80 lakhs. The revenue growth aligns with the company's strategic positioning and market demand for electronic transformers and voltage stabilizers parts and other product line , supporting the rationale for trade receivables holding levels.</p>
<b>Current Liabilities</b>		
1.	Trade payables	<p>The trade payable holding levels for the company in the electronic transformers and voltage stabilizers parts manufacturing industry have shown a fluctuating trend over the years. In fiscal 2021, the holding period was 134 days, which decreased to 90 days in fiscal 2022. However, in fiscal 2023, it further reduced to 60 days, indicating efficient management of payables. The period increased to 61 days by September 30, 2023, possibly due to specific operational or market conditions. The estimated data for fiscal 2024 and 2025 show a significant increase to 84 and 82 days respectively, suggesting a focus on optimizing working capital. Considering the purchase/operating expense data, the company has experienced a steady increase from fiscal 2021 to fiscal 2023. This upward trend may justify the variations in trade payable holding levels, as higher expenses may require better cash flow management. Overall, the company appears to be strategically adjusting its holding levels in response to changing operational needs and market dynamics.</p>

## 2. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] lacs towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds of the Issue, in compliance with the SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- strategic initiatives;
- general procurement;
- brand building and strengthening of marketing activities; and
- ongoing 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.

## Issue Related Expenses

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

Expenses	Estimated expenses <sup>(1)</sup> (in ₹ lacs)	As a % of the total estimated Issue expenses <sup>(1)</sup>	As a % of the total Gross Issue Proceeds <sup>(1)</sup>
Issue management fees including fees and reimbursements of Market Making fees and payment to other Intermediaries such as Legal Advisors to the IPO, Registrars and other out of pocket expenses.	[●]	[●]	[●]
Marketing and Selling Commission and expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Others			
- Listing fees	[●]	[●]	[●]
- SEBI and NSE processing fees	[●]	[●]	[●]
- Book Building software fees	[●]	[●]	[●]
- Other regulatory expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

<sup>(1)</sup> Please note that the cost mentioned is an estimate quotation as obtained from the respective parties and excludes GST, interest rate and inflation cost. The amount deployed so far toward issue expenses shall be recouped out of the issue proceeds.

Notes:

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

1. ASBA applications procured directly from the applicant and Bided (excluding applications made using the UPI Mechanism, and in case the Offer is made as per Phase I of UPI Circular) - Rs 10/- per application on wherein shares are allotted.
2. Syndicate ASBA application procured directly and bided by the Syndicate members (for the forms directly procured by them) – Rs 10/- per application on wherein shares are allotted
3. Processing fees / uploading fees on Syndicate ASBA application for SCSBs Bank - Rs 10/- per application on wherein shares are allotted
4. Sponsor Bank shall be payable processing fees on UPI application processed by them - Rs 10/- per application on wherein shares are allotted
5. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
6. The commissions and processing fees shall be payable within 30 Working days post the date of receipt of final invoices of the respective intermediaries.
7. Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

The Issue expenses shall be payable in accordance with the arrangements or agreements entered into by our Company with the respective Designated Intermediary.

#### Interim Use of Funds

Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

#### Bridge Loan

Our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds.

#### Monitoring of Utilisation of Funds

In accordance with Regulation 262 of the SEBI ICDR Regulations, since the Net Proceeds do not exceed ₹ 10,000.00 lakhs, appointment of monitoring agency is not applicable.

#### Variation in Objects of the Issue

In accordance with Sections 13(8) and 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue unless our Company is authorised to do so by way of a special resolution of its Shareholders through a postal ballot and such variation will be in accordance with the applicable laws including the Companies Act, 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English, one in Hindi as the Hindi is vernacular language of the jurisdiction where our Registered Office is situated. Our Promoter will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated

proposal to vary the objects, at a price and in such manner as may be prescribed by SEBI in Regulation 290 and Schedule XX of the SEBI ICDR Regulations.

#### **Appraising Entity**

None of the Objects for which the Net Proceeds will be utilised have been appraised by any bank/ financial institution or any other agency.

#### **Other Confirmations**

No part of the Net Proceeds will be paid to our Promoter, Promoter Group, Directors, our Group Companies or our Key Managerial Personnel, except in the ordinary course of business. Our Company has not entered into nor has planned to enter into any arrangement/ agreements with our Directors, our Key Management Personnel, or our Group Companies in relation to the utilisation of the Net Proceeds.



## BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Our Business” and its financial statements under the section titled “Financial Information of the Company” beginning on page 27, 83 and 139 respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

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

For the purpose of making an informed investment decision, the investors should also refer “Risk Factors”, “Our Business” and “Restated Financial Information as” beginning on Page no. 27, 83 and 139 respectively of this Draft Red Herring Prospectus.

### Qualitative Factors

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

1. Experienced Promoters and Management Team;
2. Long standing relationships with customers;
3. Efficient operational team;
4. Consistent financial performance;

For further details, please refer chapters titled “Risk Factors” and “Our Business” beginning on Page Nos. 27 and 83, respectively.

### Quantitative Factors

The information presented in this section for the restated audited financial statements of the Company for the period ended September 30, 2023 and financial year ended March 31, 2023, 2022 and 2021 is derived from our Restated Financial Statements. For more details on financial information, investors please refer the chapter titled “Restated Financial Information” beginning on Page No. 139 of this Draft Red Herring 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 per Share (EPS), as adjusted for changes in capital

(in ₹)

Year ended	Basic and Diluted EPS (in ₹) <sup>#</sup>	Weight
FY 2020-21	22.36	1
FY 2021-22	19.88	2
FY 2022-23	52.06	3
<b>Weighted Average</b>	36.38	
<b>For Period ended as on September 30, 2023 (Not Annualised)</b>	45.60	

#### Note:

- i. Basic EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year.
- ii. Diluted EPS: Net Profit after tax as restated divided by weighted average number of Equity Shares outstanding at the end of the period/year for diluted EPS.
- iii. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of the total number of days during the year/period.
- iv. The above statement should be read with significant accounting policies and notes on Restated Financial Statements as appearing in the Financial Statements.
- v. The EPS has been calculated in accordance with AS 20 Earnings Per Share (EPS) issued by Institute of Chartered Accountants of India.

#### 2. Price Earning (P/E) Ratio in relation to the Price Band of Rs. [●] to Rs. [●] per Equity Share of Face Value of Rs.

10/- each fully paid up

Particulars	(P/E) Ratio at the Floor Price*	(P/E) Ratio at the Cap Price*
a) P/E ratio based on Basic and Diluted EPS as at March 31, 2023	[●]	[●]
b) P/E ratio based on Basic and Diluted EPS as at March 31, 2022	[●]	[●]
c) P/E ratio based on Basic and Diluted EPS as at March 31, 2021	[●]	[●]
d) P/E ratio based on Weighted Average EPS	[●]	[●]

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

### 3. Industry Peer Group P/E ratio

Particulars	Industry P/E
Highest	96.68
Lowest	35.91
Average	67.78

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. Return on Net Worth (RoNW):

Year ended	RoNW(%)	Weight
FY 2020-21	21.73%	1
FY 2021-22	16.19%	2
FY 2022-23	29.77%	3
<b>Weighted Average</b>	23.90%	
<b>For Period ended as on September 30, 2023 (Not Annualised)</b>	21.27%	

Note: RoNW is calculated as net profit after taxation and minority interest attributable to the equity shareholders of the Company divided by shareholders' funds for that year. Shareholders' funds = Share capital + reserves & surplus - revaluation reserves

Networth is computed as the sum of the aggregate of paid up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account. It may be noted that equity component of financial instruments is excluded while calculating Networth of the Company.

### 5. Net Asset Value (NAV) per Equity Share

Particulars	NAV per Share (₹)
As on March 31, 2021	102.90
As on March 31, 2022	122.78
As on March 31, 2023	174.84
Period Ended September 30, 2023	144.96
Net Asset Value per Equity Share after the Issue	[●]
Issue price per equity shares	[●]

Note: NAV (book value per share)= Total shareholders' funds divided by number of shares outstanding as on March 31, 2023, and every year.

### 6. Comparison of Accounting Ratios 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>							
Transformers & Rectifiers (India) Limited**	270.70	2.80	1	96.68	9.70%	28.85	137,171.75

Indo Tech Transformers **	869.00	24.20	10	35.91	15.04%	160.93	37,356.93
V Guard Industries Limited **	293.60	4.15	1	70.75	11.29%	36.74	406,456.92
Our Company**	[●]	52.06	10	[●]	29.77%	174.84	12,372.10

\*Source: \*CMP i.e., Current Market Price has been considered as on 22<sup>nd</sup> January, 2024.

\*\* The above-mentioned information and the related calculations has been made on the basis of Standalone Financial Statements of respective companies for the Financial Year ending 31<sup>st</sup> March, 2023.

1. P/E figures for the peers are based on closing market prices of equity shares on BSE and NSE on January 22, 2024 divided by the Basic EPS as at March 31, 2023
2. Basic and Diluted EPS refers to the Basic and Diluted EPS sourced from the Annual Reports for FY 22-23 of the listed peer companies.
3. Return on Net Worth (%) for listed industry peers has been computed based on the Net Profit After Tax for the year ended March 31, 2023 divided by Total Equity as on March 31, 2023.
4. NAV per share for listed peers is computed as the Total Equity as on March 31, 2023 divided by the outstanding number of equity shares as on March 31, 2023.

\*\*The details shall be provided post the fixing of the price band by our Company at the stage of the red herring prospectus or the filing of the price band advertisement.

## 7. Key Performance Indicators

(Rs In Lakhs)

Key Performance Indicator	For the quarter ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	6,531.80	12,263.01	8,659.18	5,332.50
Growth in Revenue from Operations (%)	-	41.62%	62.38%	-
Total Income	6583.76	12,372.10	8,745.67	5,404.57
EBITDA	671.87	871.26	494.40	427.55
EBITDA Margin (%)	10.20%	7.04%	5.65%	7.91%
Net Profit for the Year/Period	308.27	328.85	125.58	141.23
PAT Margin (%)	4.72%	2.68%	1.45%	2.65%
Return on Net Worth	21.27%	29.77%	16.19%	21.73%
Return on Capital Employed	8.98%	11.17%	6.00%	6.20%
Debt-Equity Ratio	1.05	1.16	1.66	2.23

1. Revenue from operations represents the revenue from sale of service & product & other operating revenue of our Company as recognized in the Restated financial information.
2. Total income includes revenue from operations and other income.
3. EBITDA means Earnings before interest, taxes, depreciation and amortization expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back interest cost, depreciation, and amortization expense.
4. EBITDA margin is calculated as EBITDA as a percentage of total income.
5. Net Profit for the year/period represents the restated profits of the Company after deducting all expenses.
6. PAT Margin (%) is calculated as Profit for the year/period as a percentage of Revenue from Operations.
7. Return on net worth is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by Net worth at the end of respective period/year. Networth means aggregate value of the paid-up equity share capital and reserves & surplus.
8. Return on capital employed calculated as Earnings before interest and taxes divided by capital employed as at the end of respective period/year. (Capital employed calculated as the aggregate value of total equity, total debt and deferred tax liabilities)
9. Debt- equity ratio is calculated by dividing total debt by total equity. Total debt represents long-term and short-term borrowings. Total equity is the sum of share capital and reserves & surplus.

### Explanation for the Key Performance Indicators:

KPIs	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of our business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Income	Total Income is used by our management to obtain a comprehensive view of all income including revenue from operations and other income
EBITDA	EBITDA provides information regarding the operational efficiency of our business
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of our business.

Net Profit for the Year / Period	Net Profit for the year/period provides information regarding the overall profitability of our business
Return on Net Worth (in %)	Return on Net Worth provides how efficiently our Company generates profits from shareholders' funds.
Return on Capital Employed (in %)	Return on Capital Employed provides how efficiently our Company generates earnings from the capital employed in our business.
Debt-Equity Ratio (in times)	Debt- equity ratio is a gearing ratio which compares shareholder's equity to company debt to assess our company's amount of leverage and financial stability.

**Comparison of our key performance indicators with listed industry peers for the Financial Years/ periods included in the Restated Financial Information:**

(Rs In Lakhs)

Key Performance Indicator	Transformers & Rectifiers (India) Limited			Indo Tech Transformers Limited			V-Guard Industries Limited		
	F.Y 2022-23	F.Y 2021-22	F.Y 2020-21	F.Y 2022-23	F.Y 2021-22	F.Y 2020-21	F.Y 2022-23	F.Y 2021-22	F.Y 2020-21
Revenue from Operations	135,985.40	112,898.21	72,686.00	37,090.49	28,006.73	20,599.91	404,960.32	347,666.74	2,69,900.41
Total Income	137,171.75	114,143.81	73,668.11	37,356.93	28,175.24	20,891.61	406,456.92	348,759.00	2,72,010.02
Net Profit for the Year / Period	3,708.46	1,303.45	694.71	2,570.18	1,218.95	628.58	17,932.47	22,679.72	19,898.24

Source: All the information for listed industry peers mentioned above is on a consolidated basis unless standalone provided available on the website of the stock exchange.

**8. The Issue Price is [●] times of the Face Value of the Equity Shares.**

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

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## STATEMENT OF POSSIBLE TAX BENEFIT

To,  
The Board of Directors  
Servokon Systems Limited  
C-13, Radhu Palace Road Laxmi Nagar, Delhi, India, 110092

Dear Sirs,

**Sub: Statement of possible special tax benefits available to Servokon Systems Limited ("the Company") and its shareholders under direct and indirect tax laws**

We refer to the proposed initial public offering of equity shares (the "Offer") of 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 Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act"), the Customs Act, 1962 and the Customs Tariff Act, 1975, (collectively the "**Taxation Laws**") including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force and applicable to the assessment year 2024-2025 relevant to the financial year 2023-24 for inclusion in the Draft Red-Herring Prospectus/ Red-herring Prospectus/ Prospectus ("Offer Document") for the proposed 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 taxation laws. Hence, the ability of the Company or its shareholders to derive these 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 offer document 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 are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company 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).*

M/s Manish Pandey & Associates,  
Chartered Accountants  
FRN - 019807C  
Sd/-  
Praveen Kumar sarin Partner  
Mem No- 073473  
UDIN - 24073473BKCZVT1835  
Place : New Delhi  
Date: 22-01-2024

## **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, 2023 i.e., applicable for Financial Year 2023-24 relevant to the Assessment Year 2024-25, 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 not opted for section 115BAA for the assessment year 2023-24 and 2024-25.

#### **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**

There are no special tax benefits available to the Company under GST law.

#### **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

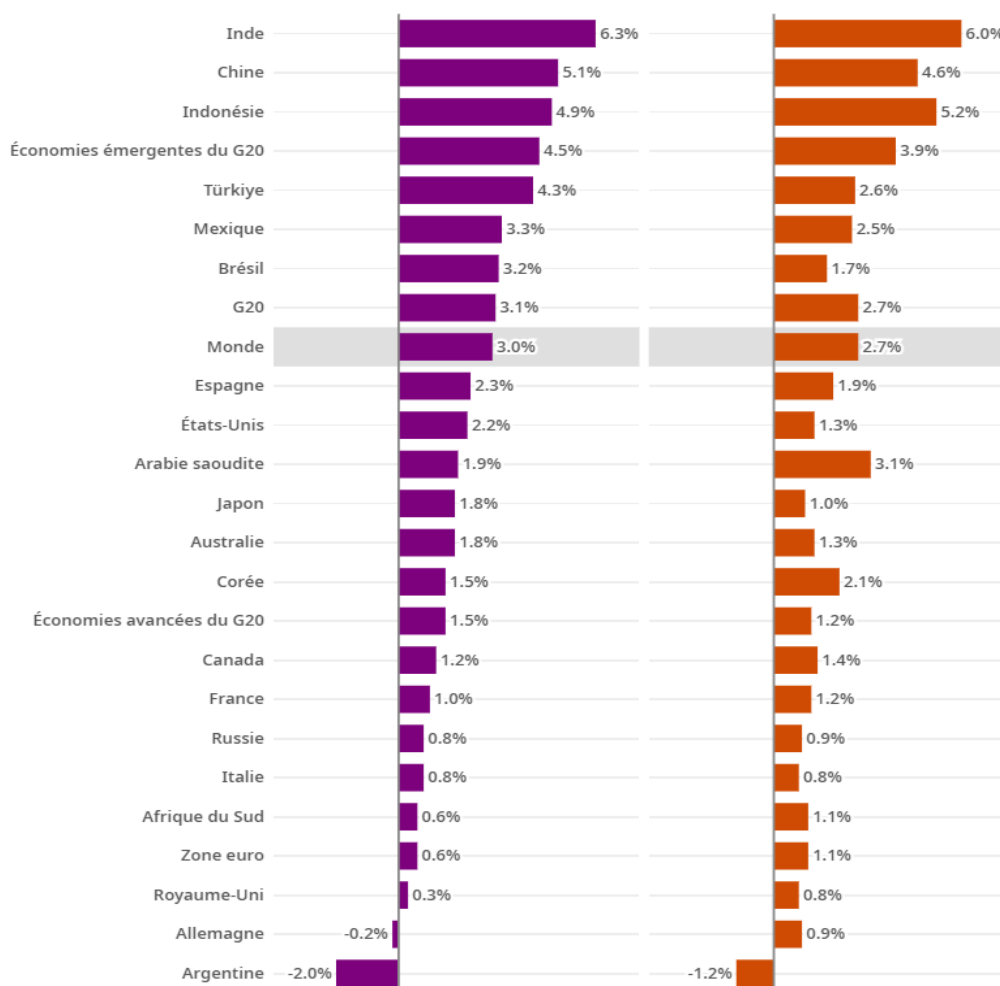
### INDUSTRY OVERVIEW

#### GLOBAL ECONOMY

The global economy proved more resilient than expected in the first half of 2023, but the growth outlook remains weak. With monetary policy becoming increasingly visible and a weaker-than-expected recovery in China, global growth in 2024 is projected to be lower than in 2023. While headline inflation has been declining, core inflation remains persistent, driven by the services sector and still relatively tight labour markets. Risks continue to be tilted to the downside. Inflation could continue to prove more persistent than anticipated, with further disruptions to energy and food markets still possible. A sharper slowdown in China would drag on growth around the world even further. Public debt remains elevated in many countries.

The world economy is expected to grow by 3.0% in 2023, before slowing down to 2.7% in 2024. A disproportionate share of global growth in 2023-24 is expected to continue to come from Asia, despite the weaker-than-expected recovery in China.

#### Projections des taux de croissance du PIB pour 2023 et 2024 Glissement annuel en %



Source : Perspectives économiques de l'OCDE, Rapport intermédiaire, septembre 2023.



(Src: <https://www.oecd.org/economic-outlook/september-2023/>)

#### INDIAN ECONOMY

Recovering from pandemic-induced contraction, Russian-Ukraine conflict and inflation, the Indian economy is staging a broad-based recovery across sectors, positioning to ascend to the pre-pandemic growth path in FY23. India's GDP growth is expected to remain robust in FY24. GDP forecast for FY24 to be in the range of 6-6.8%.

Private consumption in H1 is the highest since FY15 and this has led to a boost to production activity resulting in enhanced capacity utilization across sectors. The Capital Expenditure of the Central Government and crowding in the private Capex led by strengthening the balance sheets of the Corporates is one of the growth drivers of the Indian economy in the current year. The credit growth to the MSME sector was over 30.6% on average during Jan-Nov 2022.

Retail inflation is back within RBI's target range in November 2022. Indian Rupee performed well compared to other Emerging Market Economies in Apr-Dec 2022. The Union Government finances have shown a resilient performance during the year FY23, facilitated by the recovery in economic activity, buoyancy in revenues from direct taxes and GST, and realistic assumptions in the Budget.

The Gross Tax Revenue registered a YoY growth of 15.5% from April to November 2022, driven by robust growth in the direct taxes and Goods and Services Tax (GST). Growth in direct taxes during the first eight months of the year was much higher than their corresponding longer-term averages.

Union Government's emphasis on capital expenditure (Capex) has continued despite higher revenue expenditure requirements during the year. The Centre's Capex has steadily increased from a long-term average of 1.7% of GDP (FY09 to FY20) to 2.5% of GDP in FY22 PA. The Centre has also incentivized the State Governments through interest-free loans and enhanced borrowing ceilings to prioritize their spending on Capex.

With an emphasis on infrastructure-intensive sectors like roads and highways, railways, and housing and urban affairs, the increase in Capex has large-scale positive implications for medium-term growth. The Government's Capex-led growth strategy will enable India to keep the growth-interest rate differential positive, leading to a sustainable debt to GDP in the medium run.

### **Industry: Steady Recovery**

Overall Gross Value Added (GVA) by the Industrial Sector (for the first half of FY23) rose 3.7% which is higher than the average growth of 2.8% achieved in the first half of the last decade. Robust growth in Private Final Consumption Expenditure, export stimulus during the first half of the year, increase in investment demand triggered by enhanced public capex and strengthened bank and corporate balance sheets have provided a demand stimulus to industrial growth.

The supply response of the industry to the demand stimulus has been robust. PMI manufacturing has remained in the expansion zone for 18 months since July 2021, and the Index of Industrial Production (IIP) grows at a healthy pace.

Credit to Micro, Small and Medium Enterprises (MSMEs) has grown by an average of around 30% since January 2022 and credit to large industries has been showing double-digit growth since October 2022. Electronics exports rise nearly threefold, from US\$ 4.4 billion in FY19 to US\$ 11.6 Billion in FY22.

India has become the second-largest mobile phone manufacturer globally, with the production of handsets going up from 6 crore units in FY15 to 29 crore units in FY21. Foreign Direct Investment (FDI) flows into the Pharma Industry have risen four times, from US\$ 180 million in FY19 to US\$ 699 million in FY22.

The Production Linked Incentive (PLI) schemes were introduced across 14 categories, with an estimated capex of Rs. 4 lakh crore (US\$ 48.8 billion) over the next five years, to plug India into global supply chains. Investment of Rs. 47,500 crore (US\$ 5.8 billion) has been seen under the PLI schemes in FY22, which is 106% of the designated target for the year. Production/sales worth Rs. 3.85 lakh crore (US\$ 47 billion) and employment generation of 3.0 lakh have been recorded due to PLI schemes.

Over 39,000 compliances have been reduced and more than 3,500 provisions decriminalized as of January 2023.

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

### **POWER SECTOR IN INDIA**

India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 423.35 GW as of July 31, 2023. Growing population along with increasing electrification and per-capita usage will provide further impetus. Power consumption in India in FY23 logged a 9.5% growth to 1,503.65 billion units (BU).



India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power, to viable non-conventional sources such as wind, solar, agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required.

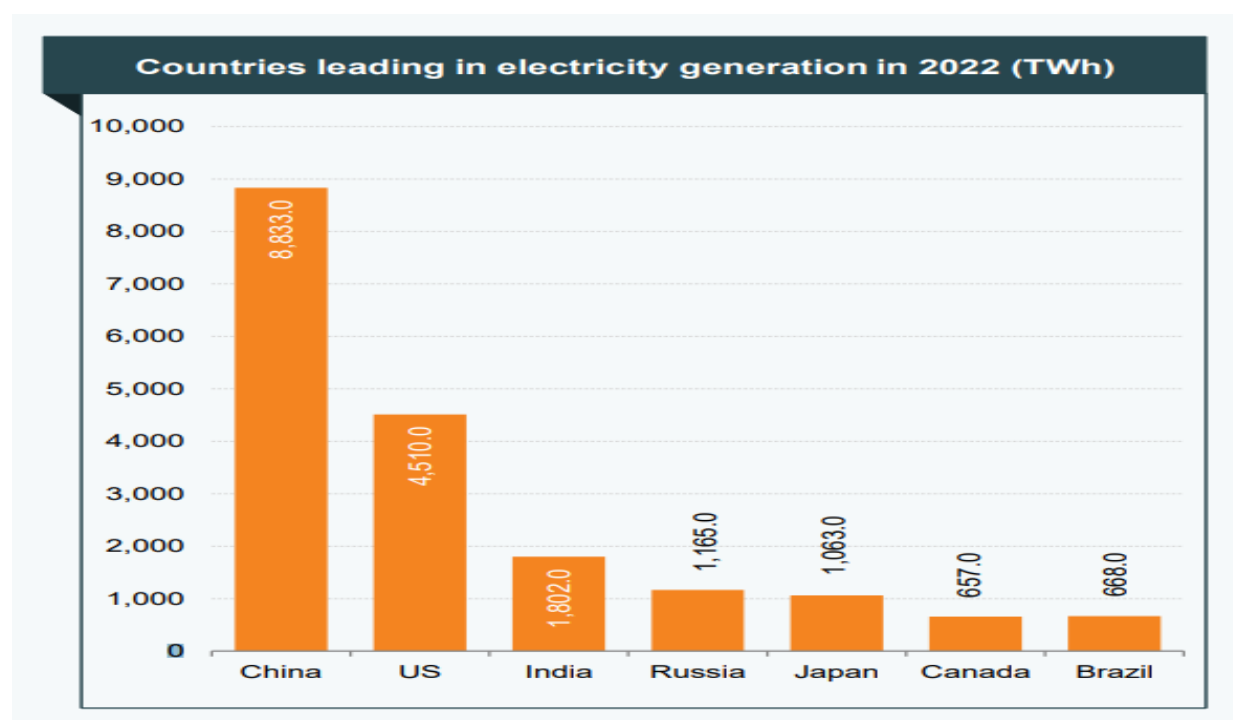
India was ranked fourth in wind power capacity and solar power capacity and fourth in renewable power installed capacity, as of 2021. India is the only country among the G20 nations that is on track to achieve the targets under the Paris Agreement.

#### ***India among top four power generating nations***

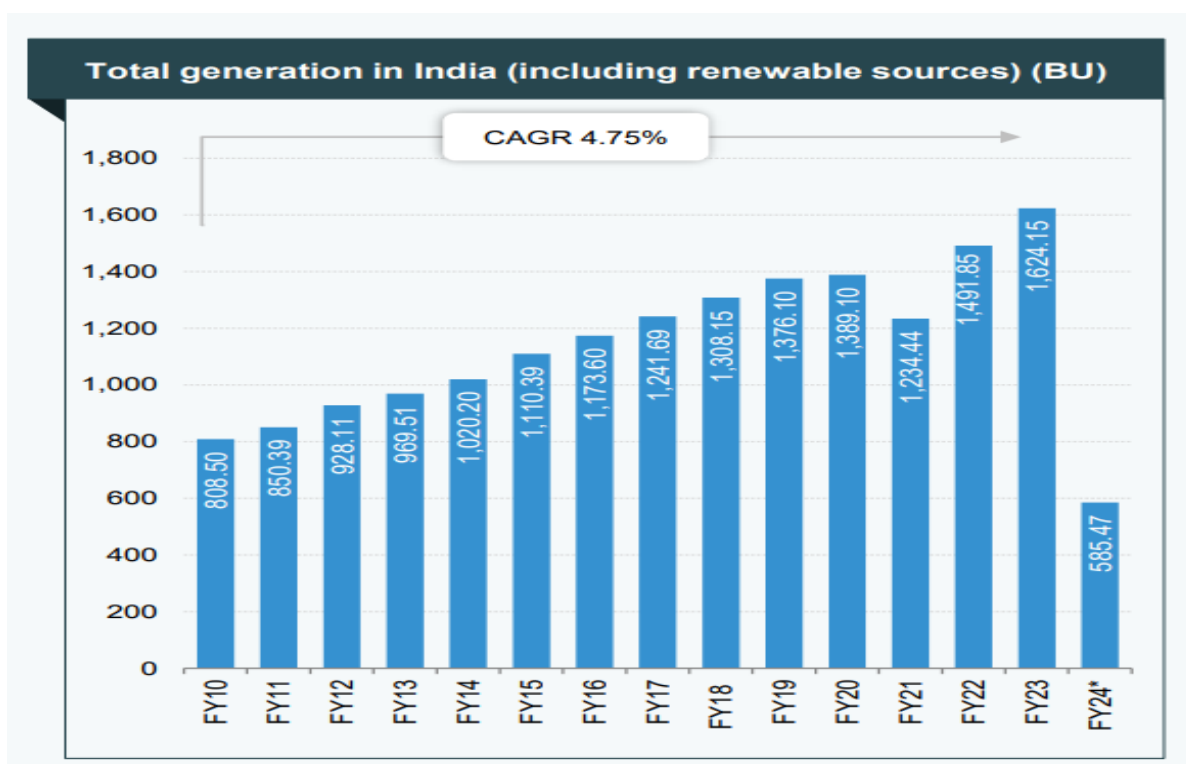
With a generation capacity of 423.35 GW, India is the third-largest producer and consumer of electricity in the world. Although power generation has grown more than 100-fold since independence, growth in demand has been even higher due to accelerating economic activity.

India's energy firms have made significant progress in the global energy sector. According to the S&P Global Platts Top 250 Global Energy Rankings 2022, Oil and Natural Gas Corp. Ltd. ranked 14th.

In June 2021, the Export-Import Bank of India (Exim Bank) announced that it has extended a line of credit (LOC) worth US\$ 100 million to the Sri Lankan government for the purpose of funding projects in the solar energy sector and assuring that the country's 70% power requirements are met by renewable energy sources by 2030.



***Power generation has grown rapidly over the years***



India's power generation witnessed its highest growth rate in over 30 years in FY23. Power generation in India increased by 8.87% to 1,624.15 billion kilowatt-hours (kWh) in FY23. In FY24 (until July 2023), the power generation in India was 585.47 BU. During FY10-FY23, electricity generation in India increased at a CAGR of 4.75%.

In the Union Budget 2022-23, the government allocated US\$ 885 million (Rs. 7,327 crore) for the solar power sector including grid, off-grid, and PM-KUSUM projects. For FY24, electricity generation target from conventional sources has been fixed at 1,750 BU, comprising of 1,324.11 BU of thermal energy, 156.70 BU of hydro energy, 46.19 BU of nuclear energy, 215 BU of RES (excluding hydro), and 8 BU to be imported from Bhutan.

According to data from the Ministry of Power, India's consumption stood at 130.57 BU in April, 2023. The Nathpa Jhakri Hydro Electricity Station of Satluj Jal Vidyut Nigam (SJVN) has set new monthly power generation record, increasing from 1,213.10 million units to 1,216.56 million units on July 31, 2021.

(Src: <https://www.ibef.org/industry/power-sector-india> )

### ***Growing Demand***

- India is the third-largest producer and consumer of electricity worldwide, with an installed power capacity of 423.35 GW as of July 31, 2023.
- Growing population along with increasing electrification and per-capita usage will provide further impetus. Power consumption in India in FY23 logged a 9.5% growth to 1,503.65 billion units (BU).

### ***Attractive Opportunities***

- In Union Budget 2023-24, the government allocated US\$ 885 million (Rs. 7,327 crore) for the solar power sector including grid, off-grid, and PM-KUSUM projects.
- To meet India's 500 GW renewable energy target and tackle the annual issue of coal demand supply mismatch, the Ministry of Power has identified 81 thermal units which will replace coal with renewable energy generation by 2026.

### ***Policy Support***

- 100% FDI allowed in the power sector has boosted FDI inflow in this sector.

- Schemes such as Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS) are expected to augment electrification across the country.

### ***Higher Investments***

- As per the National Infrastructure Pipeline 2019-25, energy sector projects accounted for the highest share (24%) out of the total expected capital expenditure of US\$ 1.4 trillion (Rs. 111 lakh crore).
- Total FDI inflow in the power sector reached US\$ 16.58 billion between April 2000-March 2023.

(Src: <https://www.ibef.org/industry/power-sector-india> )

## **INDIAN ENGINEERING & CAPITAL GOODS INDUSTRY**

Indian Capital Goods manufacturing industry serves as a strong base for its engagement across sectors such as Engineering, Construction, Infrastructure and Consumer Goods, amongst others. The engineering sector is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations.

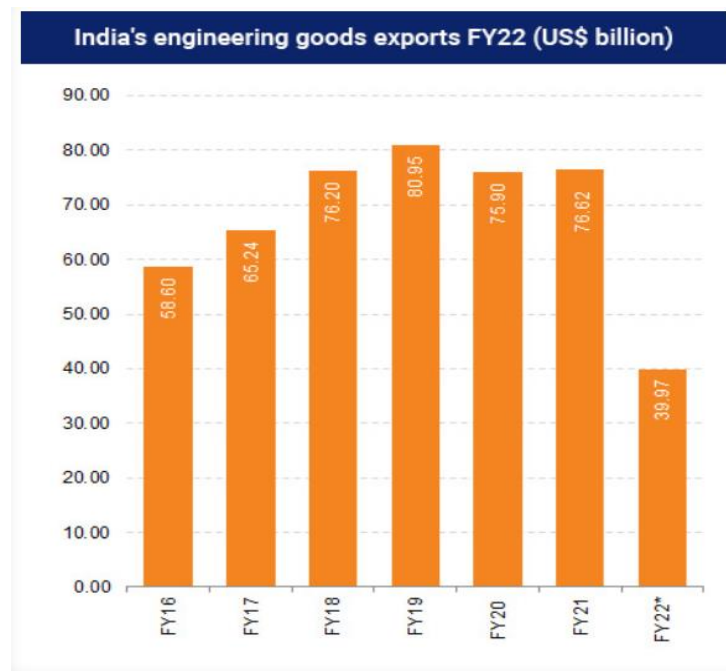
The development of the engineering sector of the economy is also significantly aided by the policies and initiatives of the Indian government. The engineering industry has been de-licensed and allows 100% foreign direct investment (FDI). Additionally, it has grown to be the biggest contributor to the nation's overall merchandise exports. India became a permanent member of the Washington Accord (WA) in June 2014. It is now a part of an exclusive group of 17 countries who are permanent signatories of the WA, an elite international agreement on engineering studies and mobility of engineers.

### ***Market Size***

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

Imports of Electrical Machinery in India increased to US\$ 16.1 billion in 2021. The Indian electrical equipment industry comprises of two broad segments, Generation equipment (boilers, turbines, generators) and Transmission & Distribution (T&D) and allied equipment like transformers, cables, transmission lines, etc. The sector contributes about 8% to the manufacturing sector in terms of value, and 1.5% to overall GDP. Incentives for capacity addition in power generation will further increase the demand for electrical machinery.

The electrical equipment market share in India is expected to increase by US\$ 33.74 billion from 2021 to 2025 at a CAGR of 9%. Domestic electrical equipment market is expected to grow at an annual rate of 12% to reach US\$ 72 billion by 2025. In FY21, India's heavy electrical equipment production stood at Rs. 168,949 crore (US\$ 21.15 billion). Production of generation equipment (boilers, turbines and generators) in India is estimated to be around US\$ 5.7 billion by 2022. The electrical machinery/equipment segment grew nearly 90% with shipments jumping to Rs. 13,606 crore (US\$ 1.6 billion) in the April-July 2022 from Rs. 7,202 crore (US\$ 869 million) in the year-ago period.



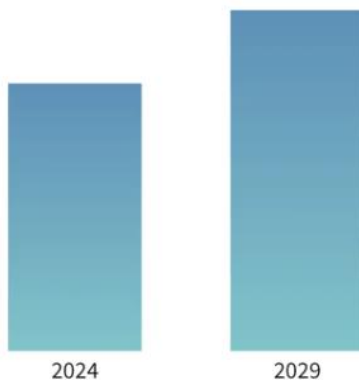
(Src: <https://www.ibef.org/industry/engineering-india> )

## INDIAN TRANSFORMER MARKET

### India Transformer Market

Market Size

CAGR >5%



Study Period 2020 - 2029

Base Year For Estimation 2023

Forecast Data Period 2024 - 2029

Historical Data Period 2020 - 2022

CAGR > 5.00 %

Market Concentration Low

Major Players



The India transformer market is expected to rise at a CAGR of more than 5% during the forecast period. COVID-19 moderately impacted the market in 2020. Presently the market has reached pre-pandemic levels. Factors such as increasing energy demands from the industries and expansion of transmission and distribution systems are likely going to drive the Indian transformer market. Also, several favorable government policies in India made to the increasing energy demand are likely going to drive the Indian transformer market.

However, delay in the implementation of the projects due to lengthy government procedures is expected to restrain the Indian transformer market. A smart grid is seen as a highly efficient and economical technology that can reduce carbon emissions. Such up-gradation for now existing networks in the region can create several opportunities for the Indian transformer market in the future.

India, because of its rapidly increasing urbanization and industrialization, is expanding its existing transmission and distribution system by laying new transmission lines and installing new substations to fill the energy demand-supply gap in the country. In February 2021, the Indian Government signed a loan agreement of USD 304 million from the Asian Development Bank (ADB) for the development of the Assam Intra-State Transmission System Enhancement project, which aims to improve the reliability, capacity, and security of the power transmission network in the northeastern state of Assam. This followed ADB's USD 190 million loans for the upgradation and modernization of Bengaluru's power distribution system in December 2020 and a USD 132.8 million loan for improving the power distribution network in the northeastern state of Meghalaya.

### ***Indian Transformer Industry Overview***

The India transformer market is fragmented. Some of the key players in this market (in no particular order) include Siemens AG, ABB Ltd., General Electric Company, Mitsubishi Electric Corporation, and CG Power and Industrial Solutions Ltd.

### ***Favorable Government Policies expected to Drive the Market***

- India's power sector is undergoing a wide-scale transformation, owing to the country facing steep electricity demand growth rates. Several parts of India witness high power cuts due to the growing demand for electricity and the supply gap. To address the issue of electricity reliability, the government has implemented policies to increase electricity generation and encourage consumers to reduce their consumption during peak hours.
- In recent years, the government has launched several schemes, such as the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS), and National Electricity Fund (NEF), to improve the distribution sector in the rural and urban areas, which is expected to drive the demand for transformers in India.
- Moreover, transformers produced in the country have been brought under mandatory Bureau of Indian Standards (BIS) certification that has resulted in the standardization of the product, which has led to quality improvement and reduction of failure in transformers. These transformers have been brought under a mandatory BEE star labeling scheme, which has resulted in the use of modern technology in manufacturing energy-efficient transformers.
- Government policies towards the rapid increase in renewable energy installations at different sites that require transformers of step-up and step-down of the electrical voltage that is being transferred through it will likely drive the market. In 2021, the total renewable energy installation in the country was 147.12 gigawatts (GW), which is higher than its installation in 2020, 134.45 gigawatts (GW).

(Src: <https://www.mordorintelligence.com/industry-reports/india-transformer-market> )

### ***Way Ahead***

Even though, India is only behind China and the US when it comes to electricity generation, there is a power deficit concern that has been plaguing the country for well over a decade now. Transformers are an important facet of a nation's power grid and owing to the increasing power demand, the Indian transformer market is expected to grow at a CAGR of 5 percent between 2020 and 2025. Aside from the increasing demand for power, the expansions in the transmission and distribution systems can also be attributed as catalysts driving the growth of the transformer market in India.

(Src: <https://www.theindustryoutlook.com/machinery-and-equipment/panorama/trends-reshaping-the-indian-transformer-industry-nwid-3134.html> )

## OUR BUSINESS

*Some of the information in the following section, especially information with respect to our plans and strategies, contain certain forward-looking statements that involve risks and uncertainties. You should read the section entitled “Forward Looking Statements” on page 21 for a discussion of the risks and uncertainties related to those statements and the section entitled “Risk Factors” on page 27 for a discussion of certain risks 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.*

*Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Draft Red Herring Prospectus on page 139. Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as other industry publications and sources. For details, please refer to the section titled “Industry Overview” on page 76.*

### BUSINESS OVERVIEW

Our Company was incorporated on May 23, 1995 under the name and style of ‘*Servokon Systems Private Limited*’, a private limited company under the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, N.C.T of Delhi & Haryana. Pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on October 03, 2005, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to ‘*Servokon Systems Limited*’ and a fresh certificate of incorporation dated March 28, 2006 was issued to our Company by the Registrar of Companies, N.C.T of Delhi & Haryana. The corporate identification number of our Company is U32301DL1995PLC068876.

Our Company is engaged in the Business of Manufacturing, Supplying and Services for a comprehensive range of Electrical & Electronic equipment’s used for Power Generation, Distribution & Conditioning. Our Company being incorporated in the year 1995 since then has made a renowned presence in the Domestic market and more than two decades in the international market under the brand name “SERVOKON”.

We classify our product line-up into four main segments: Power, Renewable Energy, Power Conditioning, and Retail Network.

Our company offers an extensive range within the **Power Segment**, encompassing Power Transformers, Distribution Transformers, Inverter Duty/Solar Transformers, Furnace Transformers, Hermetically Sealed Transformers, Compact Sub Stations (CSS), Packaged Sub Stations (PSS), Isolation Transformers, Neutral Transformers Dry Type Transformers, Pad Mounted Transformers, HT-AVR, Transformers with Built-in HT-AVR, Step-Up & Step-Down Transformers, Isolation & Ultra Isolation Transformers, HT Panels, LT Panels, VCB Panels, Control Panels, CT & PT Panels, and various other specialized industrial transformers.

Our company holds a remarkable position in the **Renewable Energy Segment**, providing a comprehensive range of offerings, including Solar EPC Projects, Solar Power Generating Systems (SPGS), Solar Inverters, Solar Batteries, and Solar Panels.

The fundamental segment of Servokon, the **Power Conditioning Segment**, is pivotal to our Company's inception. This segment provides a comprehensive array of products, including Servo Voltage Stabilizers, Rolling Contact Servo Stabilizers, Static Servo Stabilizers, Online UPS, Constant Voltage Transformer (CVT), Variable Auto Transformer (Variac), and other tailored Power Conditioning Products.

In the **Retail Network Segment**, our Company presents the broadest selection of Automatic Voltage Stabilizers designed for domestic applications in India. Additionally, the segment offers a diverse range of Electrical Water Heaters and Gas Geysers.

Our Products are in accordance with the National and International Quality Standards extensively used for varied industry and commercial applications, these can also be customized so as to meet the various requirements of our clients. Our products conform as per specifications as per IS 2026, IS 1180, IS 11171, IS 9815, IS 8448, IS 5142, IS 1969, IEC 60076, IEEE and various other IEC and IS standards. We make use of high-grade raw material to manufacture our products to ensure that these are in accordance with the national and international quality standards. Our products go through a thorough quality and testing process before finding their place in the market. These strict quality norms have helped us secure approvals and certifications from the various reputed government testing bodies and accredited agencies namely the Central Power Research Institute (CPRI), Electrical Research and Development Association (ERDA), Engineers India Limited (EIL), National Test House (NTH), National Accreditation Board for Testing and Calibration Laboratories (NABL), Rail India Technical and Economic Service (RITES), Bureau Veritas, Rajasthan Test and Research Centre (RTRC), Société Générale de Surveillance (SGS) etc.

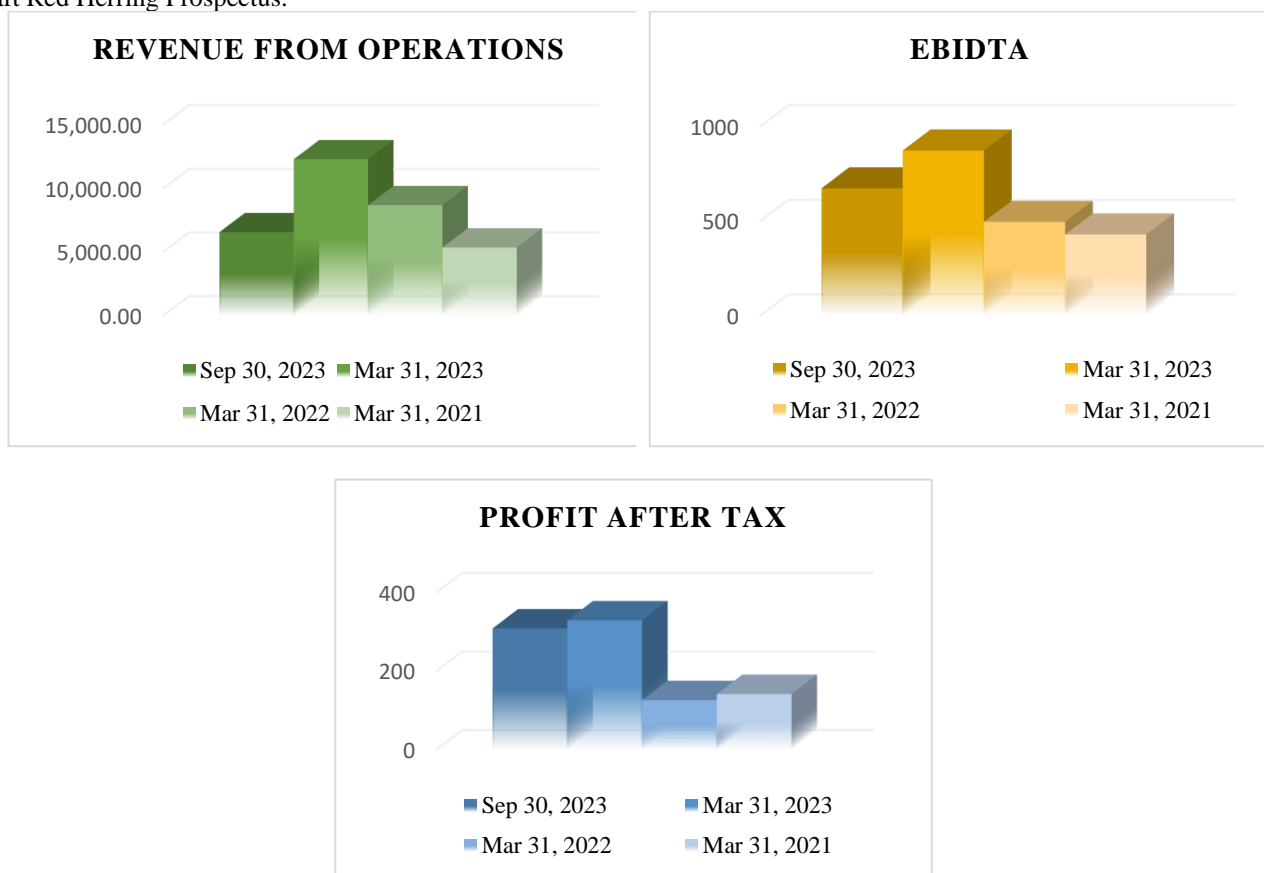
Our company's trajectory has been shaped by the enduring commitment of our Promoters, Mr. Kamruddin and Ms. Fatima Begum, who have been integral to our journey since its incorporation. Mr. Kamruddin, presently serving as the Managing Director, and Promoter, leads the entire management team, contributing significantly to the company's growth and exemplifies visionary leadership and innovative thinking. With a wealth of technical expertise and over 30 years of experience, he plays a pivotal role in overseeing overall management, day-to-day affairs, and strategic decision-making. In addition to his entrepreneurial pursuits, Mr. Kamruddin is the visionary behind the establishment of the Servokon Education Foundation, a non-governmental organization based in Delhi, supporting civil service aspirants from underprivileged sections. The foundation

provides education to deserving, underprivileged students, offering a reliable platform for those aspiring to achieve significant life goals through education.

Our legacy of innovation and excellence established by Mr. Kamruddin is now carried forward by the Next Generation Mr. Zakir Hussain Siddiqui (Promoter, Chairman, Whole Time Director & CEO), Mr. Asif Khan (Promoter and Executive Director) and Mr. Mohd. Akram (Promoter and Executive Director), who actively and tirelessly strive to lead the company to newer heights. Mr. Zakir Hussain Siddiqui has been an integral part of our team as Promoter and Director since 2008 and currently designated as the Chairman and Whole Time Director and he is also Director of Sales & Marketing, Future Planning, and System Implementation. Mr. Zakir Hussain Siddiqui brings valuable contributions to our company's leadership team. His expertise plays a key role in driving sales and his contributions are instrumental in transforming our Company into a recognized brand. Mr. Asif Khan, has been associated with the Company since 2018 and is currently the Promoter and Executive Director of the Company. Mr. Asif Khan has established effective strategies and standards to help the Company set course to achieving its goals. Mr. Mohd. Akram, Promoter and Executive Director has been associated with the Company since 2023, he is poised to steer the creative vision and strategic direction of the Company with enthusiasm and innovation. Through the synergy of their leadership and shared vision, they propel Servokon towards progress and success.

Servokon Systems Limited has the distinction of achieving ISO 9001:2008, ISO 14001:2004, CE and ISI certifications. We have a dedicated team of professionals, who constantly observe the market needs and trends. Our dedicated R&D (Research and Development) team has been able to revolutionize the market and are committed to provide highly reliable, robust and Versatile Products and prominent services. Our Company maintains proper infrastructure equipped with latest precision tools & a state-of-art testing lab with most advanced testing facilities. We are a quality conscious company. Our company strictly adheres to the concept that “Servokon-Rakhe Sab Control Mein” henceforth promises to take care and fulfil every requirement of our customers. Mr. Saif Ali Khan represents our brand as the official ambassador.

Our Company reaffirming its dedication to meeting the escalating domestic and international demand with the unveiling of an ambitious project—an advanced manufacturing facility in Hapur, UP. Spanning nearly 25,000 square meters, this facility is poised to be a key asset, empowering the company to elevate its production capacity and fortify its competitive advantage. Our revenues from operations for the period ended September 30, 2023, Fiscals 2023, 2022 and 2021 were Rs. 6,531.80 lacs, Rs. 12,263.01 lacs, Rs. 8,659.18 lacs and Rs. 5,332.50 lacs respectively. Our EBITDA for the period ended September 30, 2023, Fiscals 2023, 2022 and 2021 were Rs. 671.87 lacs, Rs. 871.26 lacs, Rs. 494.40 and Rs. 427.55 lacs, respectively. Our profit after tax for the period ended September 30, 2023, Fiscals 2023, 2022 and 2021 was Rs. 308.27 lacs, Rs. 328.85 lacs, Rs.125.58 lacs and Rs. 141.23 lacs respectively. For further details, please refer to the section titled “*Financial Information*” on page 139 of this Draft Red Herring Prospectus.



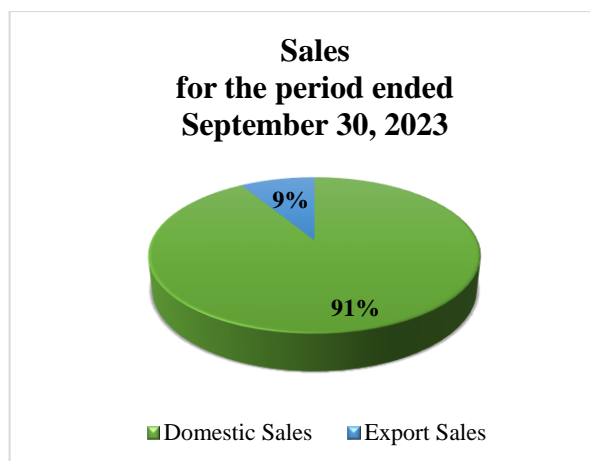
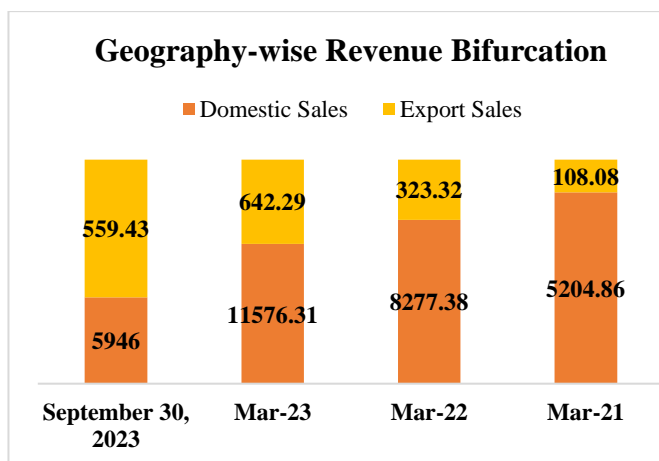


## OUR LOCATIONAL PRESENCE

- **Registered Office**  
C-13, Radhu Palace Road Laxmi Nagar, Delhi, India, 110092
- **Manufacturing Facility:**  
AN-6, UPSIDC, Near coca cola plant MG Road Industrial Area, Phase-III, Hapur (U.P.) – 245301
- **Branch Office:**
  1. **Kanpur** - Servokon Tower, Plot No.5, Virat Nagar, Kidwai Nagar, Kanpur (U.P.) – 208013
  2. **Patna** - Plot No. 1466, Transport Nagar, Beside Sulabh Sauchalaya, Patna, Bihar, 800007
  3. **Srinagar** - Khasra No. 990, Khata No. 2069, Opposite Khanda Hp Petrol Pump, National Highway Bulgam Haigam, Baramulla, Jammu and Kashmir, 193202
  4. **Punjab**- Namdhari Tailor, Hadbast No 234 Sector 13, Nagra Building Complex, Sub Tehsil Zirakpur Ambala Road, Zirakpur, Sas Nagar, Punjab, 140603

## REVENUE BIFURCATION AND KEY PERFORMANCE INDICATORS

- Geography-wise Revenue Bifurcation



(₹ in Lakhs)

Particulars	For the Period ended September 30, 2023	For the Financial year ended		
		March 31, 2023	March 31, 2022	March 31, 2021
Domestic Sales	5946.00	11576.31	8277.38	5204.86
Export Sales	559.43	642.29	323.32	108.08
<b>Total</b>	<b>6505.43</b>	<b>12218.60</b>	<b>8600.70</b>	<b>5312.93</b>

- Financial Key Performance Indicators

(Rs In Lakhs)

Key Performance Indicator	For the half year ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	6,531.80	12,263.01	8,659.18	5,332.50
Growth in Revenue from Operations (%)	-	41.62%	62.38%	-
Total Income	6583.76	12,372.10	8,745.67	5,404.57
EBITDA	671.87	871.26	494.40	427.55
EBITDA Margin (%)	10.20%	7.04%	5.65%	7.91%
Net Profit for the Year/Period	308.27	328.85	125.58	141.23
PAT Margin (%)	4.72%	2.68%	1.45%	2.65%
Return on Net Worth	21.27%	29.77%	16.19%	21.73%
Return on Capital Employed	8.98%	11.17%	6.00%	6.20%
Debt-Equity Ratio	1.05	1.16	1.66	2.23



## OUR PRODUCT PORTFOLIO

Our Segment wise bifurcation for products is as mentioned below:
























Power Segment	Renewable Energy Segment	Power Conditioning Segment	Retail Network Segment
<ul style="list-style-type: none"> <li>• Power Transformer</li> <li>• Distribution Transformer</li> <li>• Furnace Transformer</li> <li>• Inverter Duty/Solar Transformer</li> <li>• Hermetically Sealed Transformer</li> <li>• Compact Sub Station (CSS)</li> <li>• Packaged Sub Station (PSS)</li> <li>• Dry Type Transformers</li> <li>• Pad Mounted Transformers</li> <li>• HT AVR</li> <li>• Transformer with Built In HT AVR</li> <li>• Step Up &amp; Step Down Transformers</li> <li>• Isolation &amp; Ultra Isolation Transformers</li> <li>• Neutral Transformers</li> <li>• HT Panels</li> <li>• LT Panels</li> <li>• VCB Panels</li> <li>• Control Panels</li> <li>• CT &amp; PT Panels</li> <li>• Special Type Transformers</li> </ul>	<ul style="list-style-type: none"> <li>• Solar EPC Services</li> <li>• Solar Power Generating Systems</li> <li>• Solar Inverters</li> <li>• Solar Batteries</li> <li>• Solar Panels</li> </ul>	<ul style="list-style-type: none"> <li>• Servo Voltage Stabilizers</li> <li>• Rolling Contact Servo Stabilizers</li> <li>• Static Voltage Stabilizers</li> <li>• Online UPS</li> <li>• CVT</li> <li>• Variable Auto Transformer (Variac)</li> </ul>	<ul style="list-style-type: none"> <li>• Automatic Voltage Stabilizers</li> <li>• Water Heater/Geyser</li> </ul>

## A. POWER SEGMENT

The power electrical segment comprises the infrastructure, such as transmission lines, transformers, and distribution networks, that are responsible for efficiently delivering electricity to households, companies, and industries. Transformers and Electrical Panels are crucial components in the electrical power segment. They are used to transform voltage levels for efficient transmission, distribution, and utilization of electrical power. The scope of Transformer types extends from Generator Transformers to Distribution & Low Voltage Transformers. Servokon provides transformers up to 50 MVA Capacity and up to 66kV Primary/Secondary voltage. The transformer can be Single Phase, Double Phase or Three Phase. Our Company manufactures Highly energy efficient transformers and electrical panels in accordance with the latest Indian & International Standards. Our range of power segment products include the following:

1. Power Transformer	2. Distribution Transformer
3. Furnace Transformer	4. Inverter Duty/Solar Transformer
5. Hermetically Sealed Transformer	6. Compact Sub Station (CSS)
7. Packaged Sub Station (PSS)	8. Dry Type Transformers
9. Pad Mounted Transformers	10. HT AVR
11. Transformer with Built In HT AVR	12. Step Up & Step Down Transformers
13. Isolation & Ultra Isolation Transformers	14. Neutral Transformers
15. HT Panels	16. LT Panels
17. VCB Panels	18. Control Panels
19. CT & PT Panels	20. Special Type Transformers

			
Power Transformer	Distribution Transformer	Furnace Transformer	Inverter Duty/Solar Transformer
			
Hermetically Sealed Transformer	Compact Sub Station (CSS)	Packaged Sub Station (PSS)	Dry Type Transformers
			
Pad Mounted Transformers	HT AVR	Transformer with Built In HT AVR	Step Up & Step Down Transformers

			
Isolation & Ultra Isolation Transformers	Neutral Transformers	HT Panels	LT Panels
			
VCB Panels	Control Panels	CT Panels	PT Panels
			
Special Type Transformers			

## B. RENEWABLE ENERGY SEGMENT

Servokon offers cutting-edge Solar Power Solutions for harnessing clean and sustainable solar energy to generate electricity. Our products convert solar-generated DC power into usable AC power with advanced technologies for optimal energy conversion and efficiency. Our Solar power solutions provides wide range of benefits such as cost savings, low maintenance, long-term financial benefits & energy independence. Our Solar Power solutions provide reliable and sustainable solution for residential, commercial & industrial sectors in both on-grid and off-grid Power Systems. Our comprehensive range of innovative solar solutions empower our country towards a cleaner, greener future. Our Product Range is Classified into following categories:

1.	Solar EPC Services	2.	Solar Power Generating Systems
3.	Solar Inverters	4.	Solar Batteries
5.	Solar Panels		

		
Solar EPC Services	Solar Power Generating Systems	Solar Inverters
		
Solar Batteries	Solar Panels	

## C. POWER CONDITIONING SEGMENT

Power conditioning refers to the process of improving or modifying the quality of electrical power to ensure that it meets the requirements of connected electronic or electrical devices. The primary goal is to provide a stable and clean power supply, free from disturbances and variations, to enhance the efficiency and reliability of electrical and electronic systems.

The Servo Voltage Stabilizer (Voltage Corrector or Voltage Regulator) is an electrical and electronic product specially designed to control the fluctuations or stabilize the output voltage to prevent the electrical appliances and electrical equipment from breakdown due to voltage fluctuations on the input side. The Servo Voltage Stabilizer usually works on the Low Voltage Lines (LT).

Another important power conditioning product is Online Uninterruptible Power Supply (Online UPS) is a type of uninterruptible power supply system that provides a continuous and stable power supply to connected devices, even in the event of power interruptions, fluctuations, or surges. We manufacture variety of Power Conditioning products as follows:

1.	Servo Voltage Stabilizers	2.	Rolling Contact Servo Stabilizers
3.	Static Voltage Stabilizers	4.	Online UPS
5.	CVT	6.	Variable Auto Transformer (Variac)

		
Servo Voltage Stabilizers	Rolling Contact Servo Stabilizers	Static Voltage Stabilizers



		
Online UPS	CVT	Variable Auto Transformer (Variac)

## D. POWER CONDITIONING SEGMENT

Servokon's retails segment is classified into two segments namely Automatic Voltage Stabilizer and Water Heaters. Our Automatic voltage stabilizers are specifically designed to protect electrical equipment, enhance energy efficiency and ensure uninterrupted operation. Our Stabilizers are designed for durability, reliability and to withstand Indian voltage conditions such as voltage fluctuations and voltage quality. Servokon offers wide range of high-quality automatic voltage stabilizers for both residential as well as commercial applications. Our Water Heaters offers a diverse range of options, ensuring that you find the perfect solution for all hot water needs. Our Waters are equipped with latest technology to provide high efficiency and reliable Hot Water products. Our range of Products are as follows:

1.	Automatic Voltage Stabilizers	2.	Water Heater/Geyser
a.	Mainline Series	a.	Electric Water Heater
b.	Two in One Series	b.	Motto Geyser
c.	Shakti Series	c.	Gas Water Heater
d.	Air Conditioner Series		
e.	Air Conditioner 2 Ton		
f.	Series For Refrigerator		
g.	Series for Washing Machine & Microwave Oven		

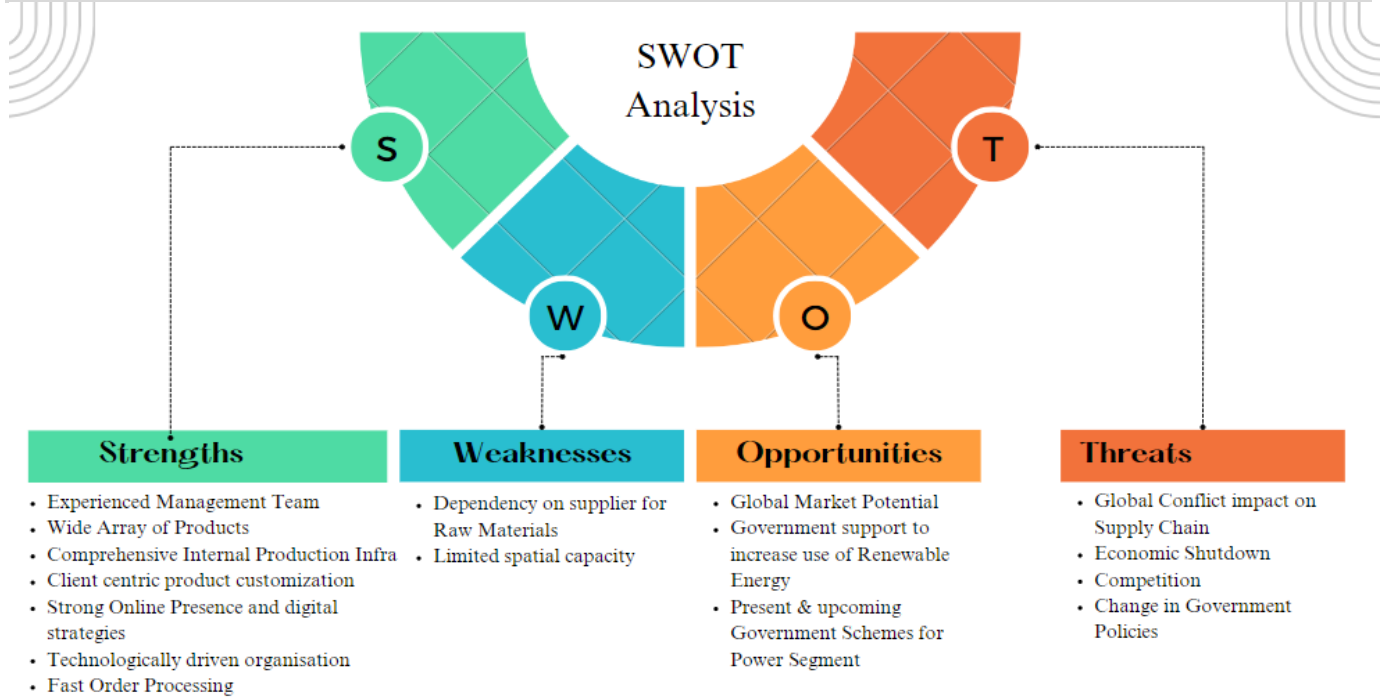
### Automatic Voltage Stabilizers:



## Water Heater/Geyser:



## SWOT ANALYSIS



## OUR COMPETITIVE STRENGTHS

We believe that the following are our primary competitive strengths:

### *Unique and Comprehensive Product Range*

Our competitive edge lies in its diverse product range, which includes Power and Distribution Transformers, Servo Voltage Stabilizers, Automatic Voltage Stabilizers, and renewal energy solutions and a host of other industrial and domestic products. This comprehensive offering positions the company as a one-stop solution provider, meeting the evolving demands of its customers. Our product portfolio consists of wide range of products which differentiate us from other companies. Also we have well established systems and procedures for staffing and the implementation of current and long term objectives so we will able to market our products more effectively. Our diversified product portfolio enables us to cater to a wide range of preferences and consumer segments. At Servokon we have always believed in the transformative power of technology, and incorporated technological advancement as a guiding principle of the organization, relentlessly pursuing the integration of technological advances into its products as well as across all organizational verticals and departments. With the acquisition of sophisticated

systems such as the Pinacci ERP System, our company has witnessed significant enhancement in its operational efficiency. Servokon also employs a wide array of cutting-edge software and tools to streamline various business processes and aspects. These include advanced systems for HR-Employee Management, Network Sales Team Management, Service Team Management, CRM Management and Tableau for a comprehensive reporting structure, and seamless integration of data and analytics in decision-making processes.

#### ***Experienced Promoters supported by a management and execution team with proven track record***

We are led by an experienced management team that we believe has the expertise and vision to manage and grow our business. Our Company's growth can be attributable to the entire management team, led by Mr. Kamruddin, he is currently the Chairman of the Board, Managing Director and Promoter of our Company. His technical expertise and extensive experience of more than 30 years has helped the company scale new heights, at present, he is responsible for the overall management, day to day affairs and is the guiding force behind the strategic decisions of our Company. Comprising visionary leaders, seasoned professionals, and industry experts, our management team brings a wealth of knowledge and expertise to the table. Their combined years of experience span various sectors, including finance, operations, marketing, and technology, making them well-equipped to steer the company towards its strategic goals. Mrs. Fatima Begum has been associated with our Company since Incorporation as Promoter and Executive Director. Our legacy of innovation and excellence established by Mr. Kamruddin is now carried forward by the Next Generation Mr. Zakir Hussain Siddiqui (Promoter, Chairman, Whole Time Director and CEO), Mr. Asif Khan (Promoter and Executive Director) and Mr. Mohd. Akram (Promoter and Executive Director), who actively and tirelessly strive to lead the company to newer heights.

We also attribute our growth in part to our initiatives relating to the development of our human resources, by planning and executing recruitment, training and retention of our employee base. We believe that the knowledge and experience of our Promoters, along with senior and middle management, and our team of sales and marketing employees provide us with a competitive advantage as we seek to expand in our existing markets and enter new geographic markets. As of October 30 2023, we had 431 permanent employees.

#### ***Expanding Global Footprint***

Our influence extends far beyond India's borders, with a global footprint that spans Asia Pacific, the Middle East, America, and African nations. Its commitment to delivering customized power solutions has led to international recognition and demand. This expansion highlights our ability to adapt and thrive in diverse markets while maintaining its reputation for excellence.

#### ***Commitment to Quality and Environmental Standards***

Our Company is committed to upholding stringent quality and environmental standards. Holding ISO 9001:2008, ISO 14001:2004 and CE certifications, the company ensures that its products meet international benchmarks and undergo rigorous testing in dedicated Quality Testing Units. Approvals from esteemed institutions further underline our commitment to delivering high-quality solutions. We manufacture energy efficient transformers and stabilizers to curb losses and contribute to the growth of the Indian economy.

#### ***Trusted brand and strong patronage***

We are committed to perfection and to our clients. We believe that we have a strong brand that our customers trust, as evidenced by our consistent and long-standing leadership position as a manufacturer and an exporter of electronic equipments, power and distribution transformers, constant voltage transformer, voltage stabilizers, servo voltage stabilizers, digital inverter, online UPS etc under the Power Segment, Renewable Energy Segment, Power Conditioning Segment and Retail Segment. Our Company stands as a beacon of reliability, integrity, and quality in the eyes of our loyal customers. It has been meticulously cultivated through years of dedicated service and a commitment to exceeding expectations. Our strong patronage, built on a foundation of enduring relationships and unwavering customer loyalty, further solidifies our position in the market. This loyal customer base not only fosters enduring revenue streams but also serves as a testament to our commitment to delivering superior products and services.

#### ***Integrated manufacturing facility***

We do continuous endeavour to maintain the requisite infrastructure and technological upgradation for the smooth running of the manufacturing process as well as to cope with the changing market demand situation time to time. There is a continuous change in the technology and the markets are very dynamic to the change in technology. We keep ourselves technologically upgraded with the latest machines and infrastructure.

#### ***Strategic Expansion Initiatives***

Our Company has embarked on a strategic expansion journey that has significantly contributed to its remarkable financial performance. The strategic expansion initiatives not only showcase Servokon's commitment to growth but also highlight its

strategic assets, including a talented workforce, global market presence, cutting-edge manufacturing facilities, and adherence to international standards. These assets position Servokon for sustained success and leadership in the industry. One of the key pillars of this expansion strategy has been team expansion. In the current financial year, the company has augmented its workforce with over 400 highly skilled professionals.

#### ***Capacity Expansion and Global Standards***

In line with its expansion strategy, we are actively pursuing increased capacity by planning to establish a manufacturing facility capable of producing transformers up to 200 MVA plus and up to 220 KV class. This forthcoming facility will adhere to global standards, reinforcing our position as a market leader and strategically fortifying its financial foundation.

#### ***Track record of sustained growth and strong financial performance***

We have established a track of consistent revenue growth and profitability. The table below sets forth some of key financial information and ratios for the six month period ended September 30, 2023 and Fiscals 2023, 2022 and 2021.

(Rs In Lakhs)

Particulars	Period ended September 30, 2023	Financial Year 2023	Financial Year 2022	Financial Year 2021
Total Income	6583.76	12,372.10	8,745.67	5,404.57
EBITDA	671.87	871.26	494.40	427.55
EBITDA margin (%)	10.20%	7.04%	5.65%	7.91%
PAT Margin	4.72%	2.68%	1.45%	2.65%

### **BUSINESS STRATEGY**

#### ***Innovation in Designing and Maintenance of quality products***

We will continue to add new design to our existing product portfolio to cater to various customer and price segments in the markets. We endeavour to maintain the quality of our products, and follow strict procedures to ensure quality control, timely delivery and competitive prices. The company intends to strengthen its product development effort by leveraging skills of its employees and focusing on changing trends in the designs and customers demand, which will help to increase the sales of the Company and retain customers.

#### ***Continuing focus on reduction of operating costs and improving operational efficiency***

We aim to continuously improve profitability by constant cost optimization, leveraging our backward integration capabilities and increasing capacity utilization. We also constantly aim to identify opportunities to implement product improvements and dedicated research and development resources to optimize production processes. Quality control and assurance are our key focus areas in the manufacturing process. We continuously evaluate the cost - benefit of our operations so that we can focus our efforts on delivering the best quality products. Further, we believe our large size and scale also enables us to produce greater volumes of products from our facilities and spread our fixed costs more widely to reduce our production costs on a per unit basis, allowing us to reduce our unit sales price and increase our competitiveness. We are committed to further optimize production processes, by improving engineering capability, debottlenecking our critical production processes, increasing the flexibility of our manufacturing system and minimizing scrap during production. We believe that our advanced manufacturing facility and R&D capabilities, along with our ongoing expansion efforts, will help us reduce production cost, increase production and achieve economies of scale.

#### ***Optimal Utilization of Resources***

Our Company constantly endeavours to improve manufacturing process, and will increase manufacturing activities to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyse our existing policies for providing our products which enables us to identify the bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use. We also intend to continue to build on our inclusive culture to ensure our employees remain engaged and committed to delivering exceptional service.

#### ***Leveraging our Marketing skills and Relationships***

Our company recognizes the pivotal role that effective marketing and strategic relationships play in today's dynamic business environment. Our commitment to excellence extends beyond our products/services to the way we engage with our audience and collaborate with key stakeholders. This is a continuous process in our organization and the skills that we impart in our people to give prime importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers base by supplying orders in hand on time, maintaining and renewing our relationship with existing clients. We have made a noteworthy and regular presence at a range of trade shows and exhibitions, including ELECRAMA, Middle East Energy (Dubai), 4th Power & Energy Africa in Ethiopia, Transpower (AITMA), India International Trade Fair in New Delhi, Windergy India in Chennai, UP International Trade Show and Archex Expo in Chandigarh



etc. Our Company is also partner with Patna Pirates in the Pro Kabaddi League as a co-sponsor, illuminating the path to a future powered by our innovative Global Energy Solutions.

**Customer Satisfaction**

Our company prioritizes customer satisfaction as a core focus, consistently working to cultivate strong relationships with our clientele. Our proactive marketing team actively seeks feedback from existing customers, using their insights to drive improvements in our products. Through a commitment to delivering high-quality goods and diligent follow-ups, we ensure customer satisfaction, striving to address any concerns and maintain a positive experience with our products.

**Maximizing Customer Value and Encouraging Innovation**

Our mission is to become a leader in providing customers with maximum value through innovative solutions. The company is committed to expanding its presence and leveraging innovation to attain a competitive advantage. With an extensive network of distributors and dealers across 18 states, Servokon is strategically positioned for further growth, ensuring that its mission and vision continue to drive its success.

**OUR VISION & MISSION**

**Vission**

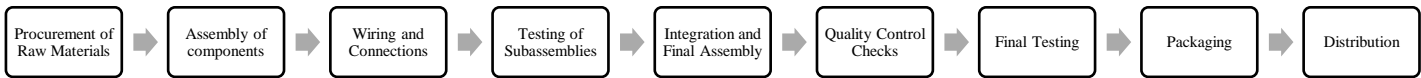
- To carve a distinct and impactful niche in the production and supply of robust power conditioning solutions such as High-capacity Transformers and Servo Stabilizers through an efficient network of channel partners in India and abroad. Besides, our Company is committed to facilitating the renewable energy goals of industries and economies through research-based and cost-effective solar power solutions.

**Mission**

- To successfully analyze the present and future needs of national and international markets and meet their expectations with the most advanced, efficacious, and budget-friendly solutions. Moreover, to continuously add value to Servokon’s products and services by leveraging innovations, incorporating skills, and adhering to professional ethics.

**KEY MANUFACTURING PROCESS**

Set forth below is a description of the key manufacturing processes of components at our manufacturing facility:



- Major process description for Power Segment and Power Conditioning Segment is as follows:



**1. Step 1- Core Cutting:**

Core Cutting is the process cutting the steel sheets to the correct shape and stacking them to form the core according to the design

**2. Step 2 – Core Assembly:**

Core is in the form of thin sheets & cut to size as per design. Generally, three different shapes of core laminations are used in one assembly. Notching is performed to increase the magnetic path. The laminations are put through the annealing process

**3. Step 3 – Winding:**

Transformer windings consist of paper-insulated, current carrying conductors wound around sections of the core; a winding lead is an insulated conductor that connects a winding to another winding, to a tap changer, or to an exit terminal (bushing)

**4. Step 4 – Core Coil Assembly:**

After the cores are banded together and uprighted and the coils have been wound, processed, pressed and sized, its time to put them together in a process called “landing the coils.” Each limb, or leg, of the core will have 2 to 5 windings landed on it after which the entire core and coil assembly goes through a thorough cleaning and careful inspection process before proceeding to a pressing operation that aids the final assembly of the core.

**5. Step 5 – Tanking:**

After ensuring that the active part is fully dry & moisture free, it is lowered inside a suitably designed & fabricated mild steel tank. These tanks are thoroughly cleaned & painted before testing and are filled in with freshly filtered oil.

**6. Step 6 – Testing:**

The power transformer is the most important equipment in the power system. In order to ensure the safe and normal operation of the power system, the transformer must be tested with professional experimental equipment for various mechanical and electrical performances before it leaves the factory and is put into use. The routine test items for power transformers are as follows:

1. Insulating oil test
2. Measure the DC resistance of the winding together with the bushing
3. Check the voltage ratio of all taps
4. Check the three-phase wiring group of the transformer and the polarity of the single-phase transformer lead wire
5. Measure the insulation resistance of each fastener insulated from the iron core (the connection piece can be disassembled) and the iron core (with an external ground wire)
6. Test of non-pure porcelain casing
7. Inspection and test of on-load voltage regulation switching device
8. Measure the insulation resistance and polarization index of windings and bushings
9. Measure the dielectric loss tangent value  $\tan\delta$  of the winding and the bushing
10. Measure the DC leakage current of the winding and the bushing
11. Transformer winding deformation test
12. AC withstand voltage test of winding and bushing
13. Long-term induced voltage test with partial discharge test for winding and bushing
14. Impulse closing test under rated voltage
15. Checking the phase.

**ORDER BOOK:**

Our Company has completed order book value of approximately ₹ 1399.69 lakhs from Government Bodies from 01.01.2023 till date of this Draft Red Herring Prospectus.

Our Order Book as on a particular date consists of contract value of unexecuted or uncompleted portions of our ongoing orders for Government Undertakings, i.e., the total order value of ongoing projects as reduced by the value of order billed till September 30, 2023. Our Company has 15 projects in hand with the Government Undertakings the following table sets forth the break-up of our Order Book as of September 30, 2023:

Sr. No.	Order Date	Customer Name	Segment	Work Order No.	Price (Rs. In Lakh)
1.	14-07-2023	TP Southern Odisha Distribution Limited	Power	5000019619	248.82
2.	08-12-2023	Irrigation & Water Resources Department, UP	Power	848/Equip-12.5/EQ-1253/2023-24/A.V.R.	198.31
3.	16-01-2024	Uttarakhand Jal Sansthan	Power Conditioning	193/CB.No.53 dated: 06.01.2023/Servo Voltage Stabilizer/23-24	40.58
4.	14-11-2023	TP Southern Odisha Distribution Limited	Power	5000025602-1	27.51
5.	31-10-2023	TP Western Odisha Distribution Limited	Power	4200002362	25.23
6.	16-01-2024	Uttarakhand Jal Sansthan	Power Conditioning	192/CB.No.53 dated: 06.01.2023/Servo Voltage Stabilizer/23-24	16.38
7.	12-12-2023	Hindustan Aeronautics Limited	Power Conditioning	GEMC-511687708460963	15.85
8.	13-12-2023	Uttarakhand Jal Sansthan	Power Conditioning	166/CB.No.53 dated: 06.01.2023/Servo Voltage Stabilizer/23-24	15.31
9.	03-01-2024	Indian Oil Corporation Limited-ERPL	Power	GEMC-511687707619641	16.65
10.	12-09-2023	Jammu and Kashmir State Power Development Corporation Limited	Power	SEE/BHEP/63E/689-92	8.28
11.	19-12-2023	Mechanical & Hospital Engineering Department	Power Conditioning	MDJ/TS/WO/2023-24/45	6.95
12.	03-11-2023	South Eastern Railway, West Bengal	Power	47235007104899	4.80
13.	08-11-2023	Gujarat State Petronet Limited	Power Conditioning	GEMC-511687759841674	56.10
14.	31-10-2023	Jammu and Kashmir Power Transmission Corporation Limited	Power	TLMD-VIII/J/1717-19	2.59
15.	13-12-2023	Jammu Power Distribution Corporation Limited	Power	ED-III/TS/3035-37	1.60

Our Company has completed order book value of approximately ₹ 9662.24 lakhs from Private and Export Entities from 01.01.2023 till date of this Draft Red Herring Prospectus.

Our Order Book value of approximately ₹ 8605.01 lakhs as on a particular date consists of contract value of unexecuted or uncompleted portions of our ongoing orders for Private and Export Entities, i.e., the total order value of ongoing projects as reduced by the value of order billed till September 30, 2023. Our Company has 66 projects in hand with the Private Companies and Export entities the following table sets forth the break-up of our Major Order Book as of September 30, 2023:

Sr. No.	Order Date	Customer Name	Segment	Work Order No.	Price (Rs. In Lakh)
1.	28-12-2023	Aldymany At Alraydt Alamthdt	Power	AAA/0LOI/2023	4,000.00
2.	23-Nov-2023	Matrix India	Power	MI/SERVOKON/TF/MC/PO/NS/062/2023-24	616.67
3.	6-Oct-2023	Brahmaputra River Valley Trading Private Limited	Power	BRVT/540/2023-24/197	541.56
4.	19-Jan-2024	Future Bath Products Private Limited	Solar	FBPPL/PM?007	487.20

5.	28-Nov-2023	EPC Infracon Private Limited	Power	EPC/2023-24/TEN-20/08	355.18
6.	18-Jan-2024	Amric Solar Energy Private Limited.	Solar	KAM/PO/23-24/52	310.67
7.	2-Dec-2023	Assam Electric Store	Power	AES/Pur-24/23-24/62	308.58
8.	30-Dec-2023	Shri Ked Insulations Private Limited	Solar	S Kr P L/P U R/ 2023-24 I Ogs	303.28
9.	29-Nov-2023	JK Machines	Power	JKM/POWERTR/2023-24/11-109	135.41
10.	7-Oct-2023	Sindhuja Engineers & Contractors	Power	SEC/MISC/072/23-24	123.55
11.	19-Jan-2024	Aryan Enterprises	Solar	Ref. No.AE/PO/23-24/123	117.36
12.	06-08-2023	Trigreen Energy Private Limited	Power	014/2023-24	105.32
13.	24-06-2023	Ace Pipe Line Contract Private Limited	Power Conditioning	P08923	53.93
14.	14-Jan-2023	Electrohard Industrial Solutions	Power Conditioning	On Mail Confirmation	52.95
15.	8-Jan-2024	Necessa Technologies	Power	NT/LKO/0124/P.O./185	51.33
16.	16-Sep-2023	Shri SadGuru Seva Sangh Trust	Power	SSSST/ELEC/2023/09/16/01	49.38
17.	8-Jan-2024	Necessa Technologies	Power	NT/LKO/0124/P.O./186	46.02
18.	10-Mar-2023	Innov Engineering Private Limited	Power	INN/ANRML/025454/0003438	40.70
19.	04-01-2024	Alphaa Electrical And Instrumentation Private Limited	Power Conditioning	AEIPL-SERVOKON/CIL/ASPLPart-A/Sec-I/PO-Vend/23-24/187	39.55
20.	10-Dec-2023	Shivam Traders	Solar	ST/PO/23-24/096	37.69

In the Retail Segment, we have billed products worth Rs. 734.626 Lakhs for the months of December 2023 till the date of this Draft Red Herring Prospectus.

## OUR MARKET PRESENCE

Our revenue break up for the preceding three fiscals based on the sale of our products in domestic and international markets is as follows:

(₹ in lakhs)

S. No.	Particulars	Period ended September 30, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
1.	Domestic	5946.00	11576.31	8277.38	5204.86
2.	Exports	559.43	642.29	323.32	108.08
	<b>Total</b>	<b>6407.71</b>	<b>6505.43</b>	<b>12218.60</b>	<b>5312.93</b>

### Wide-spread domestic and international market presence

- Our Distribution and Trading Network in India is as follows:



Sr. No.	State	City
1.	Uttar Pradesh	Ghaziabad
2.	Uttar Pradesh	Kanpur
3.	Delhi	Delhi
4.	Punjab	Jirakpur
5.	Bihar	Patna
6.	Jammu & Kashmir	Srinagar
7.	MP	Bhopal
8.	Chhattisgarh	Raipur
9.	Telangana	Hyderabad
10.	Andhra Pradesh	Vizag
11.	Jharkhand	Ranchi
12.	Orrisa	Jagatsinghpur
13.	Uttarakhand	Dehradun
14.	Tamil Nadu	Chennai
15.	Maharashtra	Mumbai
16.	Assam	Guwahati
17.	Chandigarh	Chandigarh
18.	Himachal Pradesh	Kangra

- Our Global Presence



### OUR CLIENT BASE

Our company has reputed client base which includes various esteemed Clients. Our strategy is to seek new customers and at the same time secure additional engagements from existing customers by providing timely and improved products.

Our clientele comprises numerous esteemed Government and Public Sector Undertakings, as well as a diverse array of companies. Our customer base extends across both the national and international landscapes, reflecting our widespread presence and global reach. Some of our suppliers include Inspizin Global, Assam Electric Store, DQBYPT Private Limited, Max Power Control, MTI Infra Consultants, Pioneer Drilling Company Private Limited, Sky IT Infratech Pvt Ltd, United Traders, A.S. Engineers, BYFORD WIRES, Haryana Oil Processors, Indian Paints, JAIN ELECTRIC & TRADING CO., Rajasthan Ispat etc.

We believe that our current capabilities and plans for the future will ensure that we are well positioned to attract and develop new customer relationships. Business from new customers is accepted upon consideration of factors such as alignment of capabilities and customer expectation, volume of business and future business, potential for close partnership with long-term association, and an analysis of upfront costs.

The following table illustrates the concentration of our revenues among our top customers:

(₹ in lakhs)

S. No.	Particulars	For the period ended September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
		Revenue	Revenue	Revenue	Revenue
1.	Top 5 customers	781.448	1225.883	1361.415	674.186
2.	Top 10 customers	1199.13	1973.62	1797.93	1011.037



**Manufacturing facility**

The following table sets out certain detail of our Manufacturing Facilities:

Sr. No.	Facility	Capabilities	Total Land Area (Sq. Mtr.)	Ownership Status	Duration of the Lease
1.	AN-6, UPSIDC, Near Coca Cola Plant, MG Road, Industrial Area, Phase-III, Hapur (U.P.) – 245301	Machining	3663	Leasehold	133 years w.e.f. June 01, 2015



**PLANT AND MACHINERIES****List of equipment/Machine used at Manufacturing Unit: -**

S. No.	Details of the Machinery	Make	Year of Purchase	Capacity	QTY
1.	Winding Machines (Trodel)	Trimutri	2012	Up to 10 kVA /0.5 HP	10 nos.
2.	Hand Winding Machine HV	Ceiko	2014	Up to 2000 kVA /0.5 HP	05 nos.
3.	Hand Winding Machine LV	Ceiko/Sagar	2015	Up to 20 MVA /5,8 & 10 HP	05 nos.
4.	Varnish Vacuum Chamber	Rainbow	2013	3 HP	01 nos.
5.	Humidity Chamber	Rainbow	2013	3 HP	01 nos.
6.	Drill Machine	Orill	2015	0.5 HP /1 HP	08 nos.
7.	Crain	Pullmac	2014	03 & 05 ton	03 nos.
8.	Power Press Machine (Busbar molding & Cutting)	Simkon	2018	Up to 150 x12 mm/2 HP	01 nos.
9.	Hydraulic busbar punching machine	Teckmac	2022	Up to 20 mm/1 HP	01 nos.
10.	Insulation Cutting machine	Vijay/Dipak Machine tools	2022	Up to 3 mm/1 HP	01 nos.
11.	Lethe Machine	Kakkar 6 Feet	2012	05 HP	01 nos.
12.	Welding Set	Kiran	2016	200 & 400 Amp	15 nos.
13.	D G Set	Jeckson	2016	125 kVA	01 nos.
14.	Compressors	Nitto Nitto	2014	15 hp /5 HP	03 nos.
15.	Hand Presses	Simkon,Virdi	2014	6,4,3,2 Ton	08 nos.
16.	Oven	Self –Made	2012 & 2016	40,40 & 60 kW	03 nos.
17.	Shearing Machine for sheet	Sagar	2014	Up to 6 mm/7.5 HP	01 nos.
18.	Shearing Machine for Core	Local Purchase	2014 & 2020	6,4,2 Feet	05 nos
19.	Oil filter Machine	Krishna Filter Equipment	2019	1200 LPH	01 nos.
20.	Coil Grinding Machine	Self – Made	2016	1 HP	01 nos.
21.	Iron Molding Machine	Veekey	2014	Up to 6 mm / 7.5 HP	01 nos.
22.	Slitting Machine	Local Purchase	2021	Up to 300 mm/ 3 HP	01 nos.

23.	Power Press Machine	Local 5,10,20 Ton	2013	Up to 3 mm/0.5 HP & 1 HP	02 nos.
24.	Crain	Pullmac	2020	30 Ton	01
25.	CNC Machine	Vats Systematic	2022	20 kW,1.5x3.0 Meter	01
26.	Power Coating Plant	NA	NA	UPTO 100 KV	01 Nos
27.	Power Coating Plants 7 Tank	NA	NA	Upto 100 KV	7 Nos

## OUR MANUFACTURING FACILITY, CAPACITY AND CAPACITY UTILIZATION

### Installed Capacity and Capacity Utilization\*

The following tables set forth the annual installed capacity of the Manufacturing Facility for the six month period ended September 30, 2023 and the past three Fiscals:

Facility	Product	For the Half year ended September 30, 2023			Fiscal 2023			Fiscal 2022			Fiscal 2021		
		Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)	Installed Capacity (in number of units)	Production (in number of units)	Capacity Utilization (%)
AN-6, UPSI DC, MG Road Industrial Area, Phase -III, Ghaizabad (U.P.) - 245301	Power and Distribution Transformers	400	300	75%	800	680	85%	680	610	90%	544	350	64%
	Servo Voltage Stabilizers	4000	3135	78%	8000	6000	75%	6800	5800	85%	5440	4000	74%
	Automatic Voltage Stabilizers	6000	4500	75%	12000	8400	70%	10200	8000	78%	8160	5800	71%

\*As Certified by Mr. Punit Goel, Professional Engineer, Chartered Engineer, & Approved Valuer Chartered Engineer by their certificate dated January 15, 2024.

## UTILITIES & INFRASTRUCTURE FACILITIES

### Infrastructure Facilities: -

Our registered office and Factory are well-equipped for our business operations to function smoothly.

#### Power: -

We have made the necessary arrangements for regular uninterrupted power supply at our manufacturing unit. We have availed a power connection from Pashchimanchal Vidyut Vitran Nigam Limited for our manufacturing unit premises with a sanctioned load of 11 KVA, which is sufficient to meet our plant requirement.

#### Water: -



Water is mainly required for the production process, washing of the products, casting of the products, fire safety, drinking, and sanitation purposes. Our Company consumes water from our own summer civil for our manufacturing unit.

**Logistics: -**

<b>Raw Materials</b>	Raw materials are transported to our manufacturing facility either through our suppliers' proprietary vehicles or third-party transport agencies.
<b>Finished Products</b>	To deliver our finished products to customers, we utilize three dedicated transport vehicles equipped with frames tailored to meet the specific requirements for product delivery.

**Procurement of Raw Materials: -**

<b>Business Segment</b>	<b>Description</b>
<b>Power Segment</b>	For this business segment we require Copper Conductor, Aluminium Conductor, Iron – Metal Sheet, Channel & Angle, Transformer Oil, CRGO Lamination.
<b>Renewable Energy Segment</b>	For this business segment we require Iron – MS Sheet, Channel & Angles, Lead, Acid, PV Cells, Electronics Components
<b>Power Conditioning Segment and Retail Network Segment</b>	For this business segment we require Copper Conductor, Aluminium Conductor, Iron – Metal Sheet, Channel & Angle, Transformer Oil, Electronics Components, CRGO Lamination

*\* Note: We usually do not enter into long-term supply contracts with any of our raw material suppliers. The raw material is purchased in the spot market on the basis of the rates offered by various suppliers.*

**Inventory Management: -**

Our company operates a warehouse facility in Patna, Srinagar and Chandigarh dedicated to the storage of both raw materials and finished products. We produce finished products based on a combination of confirmed and expected orders.

**COLLABORATIONS/ JOINT VENTURES**

Except as disclosed in this Draft Red Herring Prospectus, we do not have any Collaborations or Joint Ventures.

**EXPORT AND EXPORT OBLIGATION**

Our Company does not have any export obligation as on date.

**HUMAN RESOURCE**

Our employees are one of our most important assets and are critical to us maintaining our competitive position in our key geographical markets and in our industry. As of October 30, 2023, we had 431 permanent employees, as set forth below:

<b>Sr. No.</b>	<b>Division/Department</b>	<b>Number of employees</b>
1.	Production	171
2.	Projects	6
3.	Purchase	4
4.	Quality	7
5.	Sales & Marketing	67
6.	Service	80
7.	Store	20
8.	Transport	10
9.	Accounts	12
10.	Engineers	5
11.	HR& Admin	22

12.	Logistics	16
13.	Maintenance	4
14.	Management	7
<b>Total</b>		<b>431</b>

Our human resource policies focus on recruiting talented and qualified personnel, whom we believe integrate well with our current workforce. We endeavour to develop and train our employees in order to facilitate the growth of our operations. We have in place a rewards and recognition program and conduct regular events to recognize and award employees based on performance and the impact they have made, irrespective of their seniority, department or location. Our employee induction procedures are focused on taking regular feedback and facilitating interaction between new employees and senior management. We conduct regular training workshops and performance reviews. We have medical insurance for our employees and have also introduced wellness and physical health programs.


#### INSURANCE

Sr. No	Insurer Company	Description of Services	Policy No.	Expiry Date	Insured Amount (In Rs.)
1.	IFFCO-TOKIO General Insurance Company Limited	Workmen's Compensation	43302092	01/08/2024	All sums for which the Insured shall be so liable
2.	Tata AIG General Insurance Company Ltd	A. Fire Building and/or contents B. Burglary	5130017121	05/06/2024	74,55,00,000
3.	Tata AIG General Insurance Company Ltd	Group Accident Guard Policy	0239762689	18/05/2024	5,00,00,000
4.	Tata AIG General Insurance Company Ltd	Auto Secure - Private Car Package Policy	6201733492 00 00	15/07/2024	Rs. 39,99,477
5.	IFFCO-TOKIO General Insurance Company Limited	Commercial Vehicle Insurance	MV993462	31/08/2024	550000
6.	Go Digit General Insurance Limited	Vehicle Insurance	D118524626/05102023	17/10/2024	477000
7.	BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED	PRIVATE CAR PACKAGE POLICY	OG-24-1103-1801-00000421	09/05/2024	4,05,000
8.	HDFC ERGO General Insurance Company Limited	PRIVATE CAR COMPREHENSIVE POLICY	2302 2056 2695 3200 000	16/08/2024	5000000
9.	Future Generali India Insurance Co. Ltd.	Motor Secure policy	VC089171	08/08/2024	960,000
10.	THE NEW INDIA ASSURANCE CO. LTD.	Commercial Vehicle Package Policy	32030231231100000851	22/09/2024	1414208
11.	Go Digit General Insurance Ltd.	Digit Commercial Vehicle Package Policy - Goods Carrying Vehicle	D116823619/21092023	21/09/2024	582000
12.	IFFCO-TOKIO GENERAL INSURANCE CO.LTD	Commercial Vehicle Insurance	MT784223	25/03/2024	2000000


13.	HDFC ERGO General Insurance Company Limited	Motor Insurance - Two Wheeler Comprehensive Policy	2312 2036 2123 5003 000	12/10/2024	32606
14.	IFFCO-TOKIO GENERAL INSURANCE CO.LTD	TWO WHEELER POLICY	MW551761	17/10/2024	64800
15.	HDFC ERGO General Insurance Company Limited	Standalone Motor Own Damage Cover - Two Wheeler	2301 2055 8334 4000 000	28/07/2024	68000
16.	IFFCO-TOKIO GENERAL INSURANCE CO.LTD	TWO WHEELER POLICY	MV477081	23/07/2024	85000

## INTELLECTUAL PROPERTY RIGHTS

As on the date of this Draft Red Herring Prospectus, our Company has registered the following trademark with the Registrar of Trademarks under the Trademarks Act, 1999:

Serial No.	Trademark	Registration No.	Class	Date of Registration
1.	“SERVOKON”	1276890	9	April 5, 2004
2.		3768643	9	March 2, 2018
3.	“SERVOKON”	4205808	9	June 13, 2019
4.	“SERVOKON”	4205667	11	June 13, 2019
5.	“SERVOKON”	4205803	11	June 13, 2019
6.	“SERVOKON”	5634626	21	October 3, 2022
7.	“SERVOKON”	5634636	27	October 3, 2022
8.	“SERVOKON”	5634637	32	October 3, 2022
9.	“SERVOKON”	5634627	41	October 3, 2022

Pending Intellectual property related approvals

Date of Application	Application No.	Class of Registration	Trademark
October 3, 2022	5634447	6	“SERVOKON”
June 13, 2019	4205810*	7	“SERVOKON”
February 4, 2022	5793309*	9	
November 8, 2022	5673665	9	“VALLEYKON”
October 3, 2022	5634448	12	“SERVOKON”
October 3, 2022	5634686	16	“SERVOKON”
October 3, 2022	5634987	18	“SERVOKON”
October 3, 2022	5634625*	20	“SERVOKON”
October 3, 2022	5634449*	25	“SERVOKON”
October 3, 2022	5634685	37	“SERVOKON”

\*Trademark has been objected

The Details of Domain names registered in the name of the Company:

Sr. No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name	Status	Registration Expiry Date
1.	https://www.servokon.com	Wild West Domains, LLC	Servokon Systems Limited	Registered	July 2024

## PROPERTY

The Details of the Immovable properties taken on lease / rent basis are given below:

Sr. No	Name of Lessor	Name of Lessee	Address of Property	Area	Consideration Fee	Tenure/Term	Usage
1.	U.P. State Industrial Development Corporation Limited	Servokon Systems Limited	Plot No. AN – 6 situated at Industrial Area Site No. M.G. Road, Hapur	3663.0 Sq. Mtrs.	Rs. 44,68,860	81 years	Manufacturing Facility
2.	U.P. State Industrial Development Corporation Limited	Servokon Systems Limited	Plot No. F – 365, situated at Industrial Area, MG Road, Hapur	607.50 Sq. Mtrs.	Rs. 236925	61 years	Warehouse
3.	Ms. Fatima Begum	Servokon Systems Limited	Servokon House, C - 13, Radhu Palace Road, Laxmi Nagar, Delhi - 110092, India		Rs. 15000 Per month	11 months from 1 <sup>st</sup> Day of April, 2023	Registered Office
4.	New Okhla Industrial Development Authority	Servokon Systems Limited	A-56, Sector 63, Noida	1000 Sq. Meter	Rs. 22,05,000	90 Years	Land
5.	Shahnaz Sultan	Servokon Systems Limited	Khasra No. 990, Khata No. 2069, Warehouse Measuring 80 X 36, Khewat No 275, Opposite Khanda Hp Petrol Pump, National Highway Bulgam Haigam, Baramulla, Jammu And Kashmir, 193202	80*36 Sq mtr	Rs.12000 per month	11 months w.e.f 19 <sup>th</sup> January, 2024	Branch office
6.	Sh. F. S. Nagra & Smt. Sampuran Nagra	Servokon Systems Limited	Namdhari Tailor, Hadbast No 234 Sector 13, Nagra Building Complex, Sub Tehsil Zirakpur Ambala Road, Zirakpur, Sas Nagar, Punjab, 140603	3250 Sq feet	Rs. 47000 per month	11 months w.e.f 19 <sup>th</sup> January, 2024	Branch office
7.	Awadh Kishor Rajgarhia	Servokon Systems Limited	Plot No. 1466, Transport Nagar, Beside Sulabh Sauchalaya, Patna, Bihar, 800007	1000 Sq. Meter	Rs. 30,000 per month	11 months w.e.f 20 <sup>th</sup> January, 2024	Branch office

The details of the property owned by the Company:

Sr.No.	Details of the Property	Usage
1.	Servokon Tower, Plot No.5, Virat Nagar, Kidwai Nagar, Kanpur (U.P.) - 208013	Branch Office
2.	Khata No.31, Khashra No.194, Dasna, Dhaulana	Land
3.	Plot No. A-41, Sector 62, Noida, Distt. Gautam Budh Nagar, U.P.*	Proposed Corporate Office

*\*Letter of Allotment has been received from M/s. Beaver International (India) Pvt. Ltd., however Lease/Sale Agreement has not yet been executed*

## KEY INDUSTRIAL REGULATIONS AND POLICIES

*In carrying on our business as described in the section titled “Our Business” on page 83 of this Draft Red Herring Prospectus, our Company is regulated by the following legislations in India. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from the various legislations, including rules and regulations promulgated by the regulatory bodies and the bye laws of the local authorities that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. For details of Government Approvals obtained by the Company in compliance with these regulations, see “Government and Other Statutory Approvals” on page 164 of this Draft Red Herring Prospectus.*

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

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

### A. Industry Related Laws

#### *The Factories Act of 1948 ("Factories Act")*

The Factories Act was enacted to protect the welfare of workers in a factory by regulating employment conditions, working conditions, the working environment, and other welfare requirements of specific industries. The Factories Act lays out guidelines and safety measures for using machinery, and with its strict compliance, it also provides owners with instructions. When factory workers were taken advantage of and exploited by paying them low wages, the Factories Act was passed.

#### *Bureau of Indian Standards Act, 2016 (“BIS Act”)*

The BIS Act provides for the establishment of the Bureau of Indian Standards (“BIS”) for the harmonious development of the activities of standardisation, conformity assessment and quality assurance of goods, articles, processes, systems and services. The BIS Act for the functions of the BIS which includes, among others, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) undertake testing of samples for purposes other than for conformity assessment and (d) undertake activities related to legal metrology. The BIS Act empowers the Central Government in consultation with the BIS to order compulsory use of standard mark for any goods or process if it finds it expedient to do so in public interest. The BIS Act also provides the penalties in case there is a contravention of the provisions of the BIS Act.

### B. Laws Relating to Employment

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers’ rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include, among others, the following: (i) Contract Labour (Regulation and Abolition) Act, 1970; (ii) Relevant state specific shops and commercial establishment legislations; (iii) Employees’ Provident Funds and Miscellaneous Provisions Act, 1952; (iv) Employees’ State Insurance Act, 1948; (v) Minimum Wages Act, 1948; (vi) Payment of Bonus Act, 1965; (vii) Payment of Gratuity Act, 1972; (viii) Payment of Wages Act, 1936; (ix) Maternity Benefit Act, 1961; (x) Apprenticeship Act, 1961; (xi) Equal Remuneration Act, 1976; (xii) Employees’ Compensation Act, 1923; and (xiii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. In order to rationalize and reform labour laws in India, the Government has enacted the following codes, which will be brought into force on a date to be notified by the Central Government.

#### **Code on Wages, 2019**

The Code on Wages regulates and amalgamates wage and bonus payments and subsumes four existing laws namely –the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employee. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the central advisory board.

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

The Code on Social Security amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, Building and Other Construction Worker's Welfare Cess Act, 1996 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund Organisation and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

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

The Occupational Safety, Health and Working Conditions Code consolidates and amends the laws regulating the occupational safety and health and working conditions of the persons employed in an establishment. It replaces 13 old central labour laws including the Factories Act, 1948, Contract Labour (Regulation and Abolition) Act, 1970, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

### **C. Environmental Laws**

#### **The Environment (Protection) Act, 1986 (the "EPA")**

The EPA has been enacted with the objective of protecting and improving the environment and for matters connected therewith. As per the EPA, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EPA, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

#### **The Environmental Impact Assessment Notification, 2006 (the "Notification")**

As per the Notification, any construction of new projects or activities or the expansion or modernisation of existing projects or activities as listed in the Schedule attached to the notification entailing capacity addition with change in process and or technology can be undertaken only after the prior environmental clearance from the Central government or as the case may be, by the State Level Environment Impact Assessment Authority, duly constituted by the Central government under the provisions of the Environment (Protection) Act, 1986, in accordance with the procedure specified in the notification. The environmental clearance process for new projects comprises of four stages viz. screening, scoping, public consultation and appraisal. However, in 2016, MoEF issued a notification for integrating standard and objectively monitorable environmental conditions with building permissions for buildings of different sizes with rigorous monitoring mechanism for implementation of environmental concerns and obligations in building projects. This is in line with the objective of the Central government to streamline the permissions for buildings and construction sector so that affordable housing can be provided to weaker sections in urban area under the scheme 'Housing for All by 2022' and is proposing to remove the requirement of seeking a separate environment clearance from the MoEF for individual buildings having a total build up area between 5,000 square metre and 150,000 square metre, apart from adhering to the relevant bye-laws of the concerned State authorities.

#### **The Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")**

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set out by the concerned PCB. The Water Act also provides that the consent of the concerned PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") The Air Act requires that any industry or institution emitting smoke or gases must apply in a prescribed form and obtain consent from the state PCB prior to commencing any activity. The state PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

#### **Municipal Solid Wastes (Management and Handling) Rules, 2000 ("Waste Management Rules, 2000") as superseded by Solid Waste Management Rules, 2016 ("Waste Management Rules, 2016")**

The Waste Management Rules, 2000 applied to every municipal authority responsible for collection, segregation, storage, transportation, processing and disposal of municipal solid wastes. Any municipal solid waste generated in a city or a town was required to be managed and handled in accordance with the compliance criteria and the procedure laid down in Schedule II of the Waste Management Rules, 2000. The Waste Management Rules, 2000 made the persons or establishments generating municipal solid wastes responsible for ensuring delivery of wastes in accordance with the collection and segregation system as notified by the municipal authority. The Waste Management Rules, 2000 have been superseded by the Waste Management Rules, 2016 which stipulate various duties of waste generators which, *inter alia*, include segregation and storage of waste generated by them in the manner prescribed in the Waste

Management Rules, 2016; separate storage of construction and demolition waste and payment of user fee for solid waste management as specified in the bye-laws of the local bodies.

#### **The Batteries Waste Management Rules, 2022 (“BWM Rules”)**

The BWM Rules define functions of a producer, consumer and public waste management authorities. Under the BWM Rules, a ‘producer’ is defined to mean an entity which engages in (a) manufacture and sale of battery including refurbished battery, including in equipment, under its own brand; or (b) sale of battery including refurbished battery, including in equipment, under its own brand produced by other manufacturers or suppliers; or (c) import of battery as well as equipment containing battery. The BWM Rules function basis the concept of Extended Producer Responsibility (EPR) where the producers (including importers) of batteries are responsible for collection and recycling / refurbishment of waste batteries and use of recovered materials from wastes into new batteries. EPR mandates that all waste batteries be collected and sent for recycling / refurbishing and it prohibits disposal in landfills and incineration. The BWM Rules mandate producers to submit the EPR Plan (quantity, weight of battery along with dry weight of battery materials) to the Central Pollution Control Board by 30th June of every year, for the battery manufactured in the preceding financial year. The producers are responsible to adhere to the prohibitions and labelling requirements prescribed in Schedule I and ensuring safe handling of battery or waste battery such that no damage to human health or environment occurs.

#### **D. Intellectual Property Laws**

##### ***The Trademarks Act, 1999 (“Trademarks Act”)***

Under the Trademarks Act, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trademark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is 10 (ten) years, which may be renewed for similar periods on payment of a prescribed renewals.

#### **E. Foreign Investment Regulations**

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“FEMA Rules”) and the consolidated FDI policy (effective from October 15, 2020) issued by 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 (“FDI Policy”), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe inter alia the method of calculation of total foreign investment (i.e. direct foreign investment and indirect foreign investment) in an Indian company.

##### ***Foreign Trade (Development and Regulation) Act, 1992 (“FTDRA”), the Foreign Trade (Regulation) Rules, 1993 (“FTRR”) and the Foreign Trade Policy 2015-2020 (“Foreign Trade Policy”)***

The FTDRA provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTDRA empowers the Central Government to formulate and amend the foreign trade policy. The FTDRA prohibits any person from making an import or export except under an Importer-exporter Code Number (“IEC”) granted by the director general or any other authorised person in accordance with the specified procedure. The IEC may be suspended or cancelled if the person who has been granted such IEC contravenes, amongst others, any of the provisions of the FTDRA, or any rules or orders made thereunder, or the foreign policy or any other law pertaining to central excise or customs or foreign exchange. The FTDRA also prescribes the imposition of penalties on any person violating its provisions. The FTRR prescribes the procedure to make an application for grant of a license to import or export goods in accordance with the foreign trade policy, the conditions of such license, and the grounds for refusal of a license. The FTDRA empowers the Central Government to, from time to time, formulate and announce the foreign trade policy. The Foreign Trade Policy came into effect in 2017 and requires all importers and exporters to obtain an IEC. Further, pursuant to the policy, the Director General of Foreign Trade may impose prohibitions or restrictions on the import or export of certain goods, for reasons including the protection of public morals, protection of human, animal or plant life or health, and the conservation of national resources. The Foreign Trade Policy also prescribes restrictions on imports or exports in relation to specific countries, organisations, groups, individuals or products. The Foreign Trade Policy also provides for various schemes, including the export promotions capital goods scheme and duty exemption/remission schemes. India’s current Foreign Trade Policy (2015-20) (as extended until September 30, 2022 and thereafter, extended till March 31, 2023) envisages helping exporters leverage benefits of



GST, closely monitoring export performances, increasing ease of trading across borders, increasing realization from India's agriculture-based exports and promoting exports from MSMEs and labour-intensive sectors.

#### ***Foreign Exchange Management Act, 1999 ("the FEMA") and Rules and Regulations thereunder***

Export of goods and services outside India is governed by the provisions of the Foreign Exchange Management Act, 1999, read with the applicable regulations. The Foreign Exchange Management (Export of goods and services) Regulations, 2000 have been superseded by the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 ("Export of Goods and Services Regulations 2015") issued by the RBI on January 12, 2016 (last amended on June 23, 2017). The RBI has also issued a Master Circular on Export of Goods and Services. The export is governed by these Regulations which make various provisions such as declaration of exports, procedure of exports as well as exemptions.

## **F. Other Applicable Laws**

#### ***The Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")***

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprise ("MSME"). A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees.

#### ***Municipality Laws***

State governments are empowered to endow municipalities with such powers and authority as may be necessary to enable them to perform functions in relation to permitting the carrying on of trade and operations. Accordingly, State governments have enacted laws authorizing municipalities to regulate use of premises, including regulations for issuance of a trade license to operate, along with prescribing penalties for non-compliance.

#### ***Shops and Establishments Legislations***

Under the provisions of local shops and establishments legislations applicable in different states, commercial establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops and commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

#### ***Fire Prevention Laws***

State governments have enacted laws that provide for fire prevention and life safety. Such laws may be applicable to our offices and Training Centres and include provisions in relation to providing fire safety and life saving measures by occupiers of buildings, obtaining certification in relation to compliance with fire prevention and life safety measures and impose penalties for non-compliance.

#### ***Taxation Laws***

The tax related laws that are applicable to our Company include the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017 and the relevant state legislations for goods and services tax.

#### ***Professional Tax***

Professional tax is a state level tax which is imposed on income earned by way of profession, trade, calling or employment. At present, professional tax is imposed only in Karnataka, Bihar, West Bengal, Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu, Gujarat, Assam, Kerala, Meghalaya, Odisha, Tripura, Madhya Pradesh, and Sikkim.

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

The Competition Act, 2002 came into effect on June 1, 2011, and has been enacted to "prohibit anti- competitive agreements, abuse of dominant positions by enterprises" and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "CCI") as the authority mandated to implement the

Competition Act. The Act prohibits Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India.

***The Insolvency and Bankruptcy Code, 2016 (the “Code”)***

The Insolvency and Bankruptcy Code, 2016 cover Insolvency of companies, Limited Liability partnerships (LLPs), unlimited liability partnerships, and individuals. The IBC 2016 has laid down a collective mechanism for resolution of insolvencies in the country by maintaining a delicate balance for all stakeholders to preserve the economic value of the process in a time bound manner. The code empowers any creditor of a Corporate Debtor (CD), irrespective of it being a Financial Creditor (FC) or Operational Creditor (OC) or secured or unsecured creditor, or the Corporate Debtor itself, to make an application before the Adjudicating Authority (AA) to initiate Corporate Insolvency Resolution Process (CIRP) against a Corporate Debtor, at their discretion, in the event of there being a default by the Corporate Debtor in payment of their dues for an amount as specified from time to time. On initiation of the Said CIRP, a resolution to be sought for the company within a time bound time period of 180 days

**Other Laws**

In addition to the above, our Company is required to comply with the provisions of the Prevention of Corruption Act, 1988, Rent Control Act, Information technology act and other applicable laws and regulations imposed by the Central and State Governments and other authorities for its day-to-day operations.

## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on May 23, 1995 under the name and style of 'Servokon Systems Private Limited, a private limited company under the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, N.C.T of Delhi & Haryana. Pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on October 03, 2005, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to 'Servokon Systems Limited' and a fresh certificate of incorporation dated March 28, 2006 was issued to our Company by the Registrar of Companies, N.C.T of Delhi & Haryana. The corporate identification number of our Company is U32301DL1995PLC068876.

### Change in registered office of our Company

The registered office of our Company was previously situated at 54 Ganesh Park, Rasheed Market, Delhi- 110051. Thereafter, the registered office of our Company was changed to the following address:

Date of Change	New address	Reason for Change
July 03, 1995	54 Main Road, Aram Park, Near Khureji, Delhi - 110031	Administrative purposes
April 01, 2004	C-13, Radhu Palace Road, Laxmi Nagar, Delhi, India, 110092	Administrative purposes

### Main Objects of our Company

The main objects of our Company are as follows:

- To manufacture, buy, sell, export, import, deal in assembling, repair convert, overhaul, alter, maintain, and improve all types of voltage stabilizers, variac electrical and electronic goods, components, devices, equipments, and appliances including washing machines, Television, TV tuners, Computer apparatus including radio receivers and transistor, tape recorders, board cast relay and equipments, and other equipments used in and all or for audio and visual communication equipments including those using electromagnetic waves intended for radio, telegraphic, or radio telephonic communications, photo copier, electronic lighting control, continuous motors speed control, continuous flashers and fire alarm systems digital and other electronic clocks, time relay punch card machine, computers and automatic calculator, X-ray machines and tubes surgical, medical and other appliances intended electro and therapy treatment and in all type of tapes magnetic and otherwise, photographic films, projects and cameras and capacitors, condensers, semi-conductors, transistor rectifiers, integrated and Hybrid circuits, relays potentiometers, connectors, Circuit Breakers, circuit coils, chockers and transformers and home appliances of all kinds.*
- To manufacture, assemble, manipulate, fabricate, import, buy, sell, repair, convert, erect, maintain, let on hire and otherwise deal in sonic and ultrasonic equipments and apparatus, radar equipments, Computers, Electronic accounting and business machines, control equipments.*

The main objects as contained in the MoA 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:

Date of shareholder's resolution	Nature of amendments
October 16, 2023	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each to ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10 each
March 18, 2015	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 20,00,000 divided into 2,00,000 Equity Shares of ₹ 10 each to ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each
March 05, 2002	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 5,00,000 divided into 50,000 Equity Shares of ₹ 10 each to ₹ 20,00,000 divided into 2,00,000 Equity Shares of ₹ 10 each

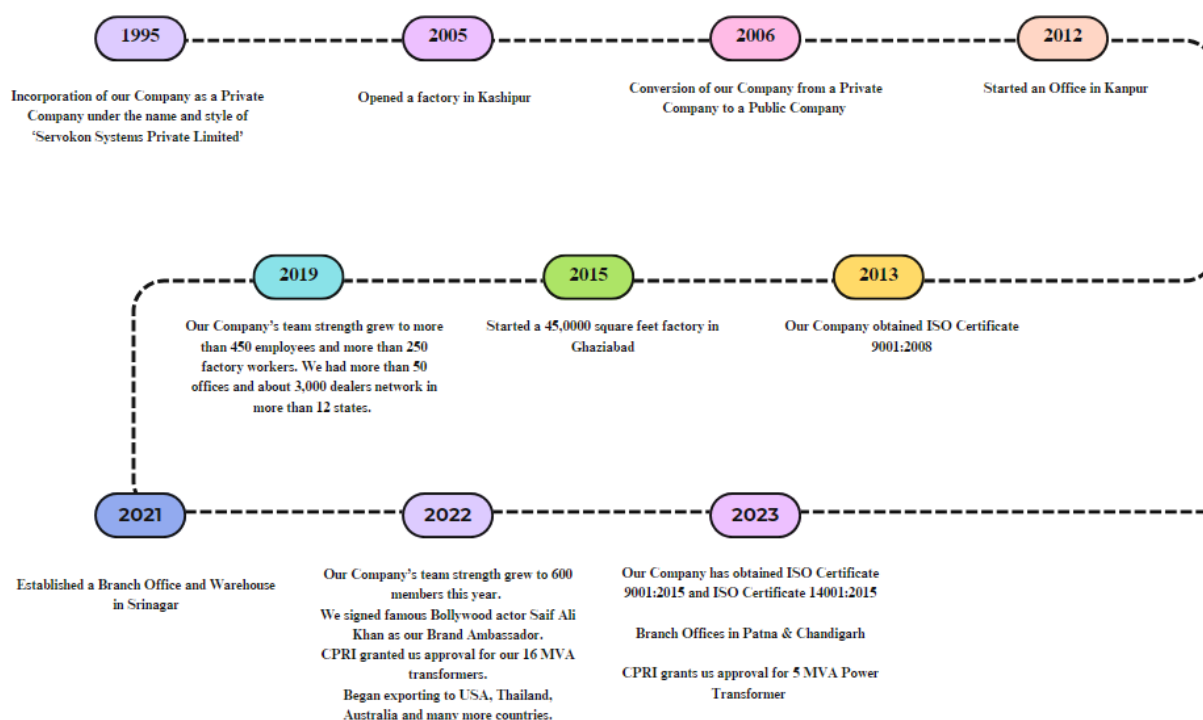
Date of shareholder's resolution	Nature of amendments
October 16, 2023	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each to ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10 each
March 18, 2015	Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹ 20,00,000 divided into 2,00,000 Equity Shares of ₹ 10 each to ₹ 1,00,00,000 divided into 10,00,000 Equity Shares of ₹ 10 each
October 03, 2005	Clause I of our Memorandum of Association was amended to reflect the change in our name from 'Servokon Systems Private Limited' to 'Servokon Systems Limited' pursuant to conversion of our Company from a private limited company to a public limited company.

### 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, 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 83, 115 and 148 respectively, of this Draft Red Herring Prospectus.

### Major Events and Milestones

The table below sets forth some of the key events, milestones in our history since its incorporation.



### Awards and Accreditations

The table below sets forth some of the key awards received by our Company in its history since its incorporation.

Year	Events
1997	Rashtriya Ekta Puraskar of Asian Arts & Cultural Society Regd. presented by Hon"ble Dr. Shankar Dayal Sharma, President of India
2003	Satyam Shivam Sundaram Award presented by Lovely Public School Management, Delhi
2012	Received Certificate of ONICRA – MSME Rating of 2B
2013	Company has been awarded an NSIC – CRISIL rating of SE 2B
2019	Received Certificate of Membership as a Regular/ Associate/ Technocrat Member of Indian Printing Packaging and Allied Machinery Manufacturers Association

**Time and Cost Overrun**

Our Company has not experienced any significant time and cost overrun in setting up projects.

**Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks**

As of date of this Draft Red Herring 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 in the last ten years.

**Revaluation of assets**

Our Company has neither revalued its assets nor has issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves in the last ten years.

**Holding Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

**Subsidiaries of our Company**

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

**Associate or Joint ventures of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any joint ventures or associate companies.

**Strategic and Financial Partners**

As on date of this Draft Red Herring 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.

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## OUR MANAGEMENT

### Our Board of Directors

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15. As on date of this Draft Red Herring Prospectus, we have Nine (09) Directors on our Board, which includes One (01) Managing Director, One (1) Whole – Time Director, Three (03) Executive Directors out of which one is a woman director, One (01) Non-Executive Director and three (03) Independent Directors.

Set forth below, are details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Kamruddin</b> <b>DIN:</b> 00451893 <b>Date of Birth:</b> March 05, 1963 <b>Designation:</b> Managing Director <b>Address:</b> B-150, Priyadarshini Vihar, Laxmi Nagar, East Delhi, Delhi - 110092 <b>Occupation:</b> Business <b>Term:</b> For a period of five (5) years with effect from January 10, 2024. <b>Period of Directorship:</b> Managing Director since January 10, 2024. Director since May 23, 1995. <b>Nationality:</b> Indian	60	Servokon Education Foundation
<b>Fatima Begum</b> <b>DIN:</b> 00451922 <b>Date of Birth:</b> July 24, 1966 <b>Designation:</b> Executive Director <b>Address:</b> B-150, Priyadarshini Vihar, Laxmi Nagar, East Delhi, Delhi - 110092 <b>Occupation:</b> Business <b>Term :</b> Liable to retire by rotation <b>Period of Directorship:</b> Executive Director since May 23, 1995 <b>Nationality:</b> Indian	57	Nil
<b>Zakir Hussain Siddiqui</b> <b>DIN:</b> 00452052 <b>Date of Birth:</b> September 30, 1986 <b>Designation:</b> Chairman, Chief Executive Officer and Whole-time Director <b>Address:</b> B-150, Priyadarshini Vihar, Laxmi Nagar, East Delhi, Delhi - 110092 <b>Occupation:</b> Business	37	Nil

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Term:</b> For a period of five (5) years with effect from January 10, 2024. <b>Period of Directorship:</b> Whole – Time Director since January 10, 2024. Director since December 01, 2004 <b>Nationality:</b> Indian		
<b>Asif Khan</b> <b>DIN:</b> 07755168 <b>Date of Birth:</b> November 28, 1991 <b>Designation:</b> Executive Director <b>Address:</b> B-150, Priyadarshini Vihar, Near LPS School, Laxmi Nagar, East Delhi, Delhi – 110092 <b>Occupation:</b> Business <b>Term :</b> Liable to retire by rotation <b>Period of Directorship:</b> <b>Executive</b> Director since October 20, 2018 <b>Nationality:</b> Indian	32	Nil
<b>Mohd Akram</b> <b>DIN:</b> 10269802 <b>Date of Birth:</b> November 15, 1995 <b>Designation:</b> Executive Director <b>Address:</b> B-150, Priyadarshini Vihar, Laxmi Nagar, Gandhi Nagar, East Delhi, Delhi – 110092 <b>Occupation:</b> Business <b>Term :</b> Liable to retire by rotation <b>Period of Directorship:</b> Director since August 09, 2023 <b>Nationality:</b> Indian	28	Nil
<b>Mohd Amaan</b> <b>DIN:</b> 10272039 <b>Date of Birth:</b> February 24, 2004 <b>Designation:</b> Non - Executive Director <b>Address:</b> B-150, Priyadarshini Vihar, Near LPS School, Laxmi Nagar, Gandhi Nagar, East Delhi, Delhi – 110092 <b>Occupation:</b> Business <b>Term :</b> Liable to retire by rotation <b>Period of Directorship:</b> Director since August 09, 2023 <b>Nationality:</b> Indian	19	Nil
<b>Arun Kumar Sharma</b> <b>DIN:</b> 09623795	63	<ul style="list-style-type: none"> <li>• KMG Milk Food Limited</li> <li>• AK2S Advisory Services LLP</li> </ul>

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Date of Birth:</b> January 05, 1961 <b>Designation:</b> Independent Director <b>Address:</b> New Vaishali Society, Opposite Rajpath Club, Bodakdev, Ahmedabad – 380015, Gujarat <b>Occupation:</b> Service <b>Term:</b> For a period of five (05) years with effect from January 10, 2024. <b>Period of Directorship:</b> Independent Director since January 10, 2024. <b>Nationality:</b> Indian		
<b>Roy Mathrani</b> <b>DIN:</b> 10389790 <b>Date of Birth:</b> June 23, 1961 <b>Designation:</b> Independent Director <b>Address:</b> Vasant Kunj Police Station, H. No. 1394, Block –C-1, Vasant Kunj, South West Delhi, Delhi - 110070 <b>Occupation:</b> Service <b>Term:</b> For a period of five (05) years with effect from January 10, 2024. <b>Period of Directorship:</b> Independent Director since January 10, 2024. <b>Nationality:</b> Indian	62	Nil
<b>Shehzad Mohd Khan</b> <b>DIN:</b> 10391773 <b>Date of Birth:</b> June 15, 1957 <b>Designation:</b> Independent Director <b>Address:</b> B -108, Sector 72, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201301 <b>Occupation:</b> Service <b>Term:</b> For a period of five (05) years with effect from January 10, 2024. <b>Period of Directorship:</b> Independent Director since January 10, 2024. <b>Nationality:</b> Indian	66	Nil

#### Brief Biographies of our Directors

**Kamruddin**, aged 60 years, is the Managing Director and Promoter of our Company. He holds degree of Bachelor of Arts from Kanpur University. He has more than 30 years of specialized experience in Manufacturing, Supplying and Services for a comprehensive range of Electrical & Electronic equipment's used for Power Generation, Distribution & Conditioning. He leads the entire management team, contributing significantly to the company's growth and exemplifies visionary leadership and innovative thinking. With a wealth of technical expertise and over 3 decades of experience, he plays a pivotal role in overseeing overall management, day-to-day affairs, and strategic decision-making.



**Fatima Begum**, aged 57 years, is the Executive Director and Promoter of the company. She has completed her higher secondary from UP Board. She has more than 28 years of experience Administration of business.

**Zakir Hussain Siddiqui**, aged 37 years old, is the Chairman, Whole Time Director, Chief Executive Officer (CEO) Promoter of our company. Holding a Bachelor's degree in Electrical Engineering from Neptune Institute of Management and Technology, he brings over 16 years of expertise in Sales & Marketing, Future Planning, and System Implementation within the Manufacturing, Supplying, and Services sectors. His extensive experience spans the comprehensive segments of Electrical & Electronic equipment, specializing in Power Generation, Distribution, and Conditioning.

**Asif Khan**, aged 32 years is the Executive Director and Promoter of the Company. He possesses degree of Bachelor of Engineering in Electrical and Electronic Engineering from the University of Western Australia. He has more than five years of experience and heads the Purchase and Service Department. He is responsible for bringing in a new revolution in the P&S department and has implemented new standards for inclusive growth. At present, he plays a vital part in business development, business excellence and Management of our Company.

**Mohd Akram**, aged 28 years is the Executive Director and Promoter of the Company. He has completed his higher secondary education. He has experience of more than four months in the field of Supplying and Services for a comprehensive range of Electrical & Electronic equipment's.

**Mohd Amaan**, aged 19 years is the Non - Executive Director of the Company. He is pursuing Management in Business Administration from Amity University, Uttar Pradesh. He has experience of more than four months in the field of Manufacturing, Supplying and Services for a comprehensive range of Electrical & Electronic equipment's used for Power Generation, Distribution & Conditioning.

**Arun Kumar Sharma**, aged 63 years is the Independent Director of our company. He holds degree of Bachelor in Technology in Civil Engineering from Indian Institute of Technology Kanpur and he is an Indian Police Service (IPS) Officer-Batch 1987. He has held several positions of distinction and high responsibilities in his 34 years of service with unblemished record of services in Indian Police Services. He has been awarded Indian Police Medal for Meritorious Services in the year 2003 and President's Police Medal for Distinguished Service in the Year 2013. He has retired in the year 2021 as the Director General of Police, Gujarat Police, Government of India.

**Roy Mathrani**, aged 62 years is the Independent Director of our company. He holds degree of Bachelor of Arts from Delhi University and Bachelor of Laws from Delhi University. He had joined the Indian Audit and Accounts Service, of the Union of India, in 1983 and served in leadership roles, in Audit Offices across the country and overseas, including key assignments in the Office of the Comptroller and Auditor General, New Delhi and in the High Commission of India in UK. As Deputy Comptroller and Auditor General he looked after all audit matters relating to the Ministry of Defence, Railways and their formations for several years.

**Shehzad Mohd Khan**, aged 66 years is the Independent Director of our company. He holds degree of Master of Economic and Social Studies from the university college of Swansea and master of laws from Aligarh Muslim University. He is an Indian Information Services Officer of the 1982 batch, he has served various positions in the government and the Rashtrapati Bhavan, with the longest being that of the CBI spokesperson. He was selected by late President A P J Abdul Kalam as his Press Secretary. He has retired from service as the Director General of Registrar of Newspapers for India.

#### **As on the date of the Draft Red Herring Prospectus**

- A. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- B. Neither Promoters nor persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filing of this Draft Red Herring Prospectus.
- E. None of Promoters or Directors of our Company are a fugitive economic offender.
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

### Relationship between our Directors

Name of Director	Designation	Relation
Kamruddin	Managing Director	<ul style="list-style-type: none"><li>• Spouse of Fatima Begum</li><li>• Father of : Zakir Hussain Siddiqui Mohd Amaan, Mohd Akram Asif Khan</li></ul>
Fatima Begum	Executive Director	<ul style="list-style-type: none"><li>• Spouse of Kamruddin</li><li>• Mother of : Zakir Hussain Siddiqui, Mohd Amaan, Mohd Akram Asif Khan</li></ul>
Zakir Hussain Siddiqui	Chairman, Chief Executive Officer and Whole – Time Director	<ul style="list-style-type: none"><li>• Son of Kamruddin and Fatima Begum</li><li>• Brother of: Asif Khan, Mohd Amaan, Mohd Akram</li></ul>
Mohd Amaan	Non - Executive Director	<ul style="list-style-type: none"><li>• Son of Kamruddin and Fatima Begum</li><li>• Brother of : Zakir Hussain Siddiqui Mohd Akram Asif Khan</li></ul>
Mohd Akram	Executive Director	<ul style="list-style-type: none"><li>• Son of Kamruddin and Fatima Begum</li><li>• Brother of : Zakir Hussain Siddiqui Mohd Amaan Asif Khan</li></ul>
Asif Khan	Executive Director	<ul style="list-style-type: none"><li>• Son of Kamruddin and Fatima Begum</li><li>• Brother of : Zakir Hussain Siddiqui Mohd Amaan Mohd Akram</li></ul>

### 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 otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

### Service Contracts

Other than the statutory benefits that the KMPs are entitled to, upon their retirement, Directors and the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

### 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 October 30, 2023, 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 ₹ 100 Cr. (Rupees One Hundred Crores).

**Our Senior Management Personal includes the following:**

**Mr. Mohd. Sadiq**, aged about 38 years, serves as the Production Head in our Company, bringing a wealth of 17 years of expertise in Engineering, Quality, and Production within the power transmission and energy sector. He holds a Diploma in Electrical Engineering from Delhi, underscoring his technical proficiency. Mr. Sadiq's extensive experience positions him as a key asset in overseeing and enhancing the production processes critical to the success of our operations.

**Mr. Manzoor Alam**, at approximately 59 years, holds the position of Accounts Head in our Company. He holds a bachelor's degree in Commerce from University of Calcutta. His academic foundation includes a graduate degree in commerce from the esteemed University of Calcutta. With a substantial 28-year tenure in the Accounts Department, Mr. Alam has amassed a wealth of specialized experience, playing a pivotal role in financial oversight and contributing significantly to the company's robust financial management and success.

**Mr. Mohd. Naeem**, aged about 47 years, assumes the role of Admin Head in our Company. He holds an Engineering Degree from Jiwaji University, Gwalior, he leverages his academic background in overseeing administrative functions. With about 13 years of specialized experience in the Admin Department, Mr. Naeem plays a pivotal role in ensuring the smooth and efficient operation of administrative processes, contributing significantly to the overall organizational effectiveness and success.

**Mr. Anil Kumar Mishra**, aged about 52 years, serves as the Head of the Technical Department in our Company. He holds a degree in Engineering from The Institution of Engineers (India), Calcutta, he has been associated with our company for about 3 years and he brings specialized expertise in Engineering, Quality, and Designs within the power transmission and energy sector. Mr. Mishra plays a pivotal role in steering technical initiatives, contributing significantly to the innovation and efficiency of our operations in the dynamic field of power transmission and energy.

**Mr. Vaibhav Mishra**, aged about 40 years, assumes the role of MIS/CRM Head in our Company. He is a bachelor of Technology in Mechanical Engineering from Gautam Buddh Technical University, Lucknow, he has been associated with company since 2017 and he brings over specialized expertise in Engineering and Quality within the power transmission and energy sector. Mr. Mishra plays a crucial role in managing Management Information Systems (MIS) and Customer Relationship Management (CRM), leveraging his extensive experience to enhance operational efficiency and client satisfaction in the dynamic field of power transmission and energy.

**Mr. Nikhil Gangwar**, aged about 30 years, serves as the Senior Engineer in the Technical Department of our Company. He holds a diploma degree in Electrical & Communication Engineering, from Institute of Advanced studies in Education Deemed University, Rajasthan, he possesses over 10 years of specialized experience in Engineering and Technical Drawings within the power transmission and energy sector. Mr. Gangwar contributes significantly to the technical aspects of our operations, utilizing his expertise to ensure precision and innovation in the design and implementation of projects in the dynamic field of power transmission and energy.

**Terms of appointment and remuneration of our Managing Director and Whole-time Directors**

**Kamruddin**

Pursuant to a resolution passed by the Board of Directors at the meeting held on January 08, 2024 and approved by the Shareholders of our Company at the EGM held on January 10, 2024, Mr. Kamruddin was appointed as the Managing Director of our Company for a period of five (05) years with effect from January 10, 2024 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.

<b>Basic Salary</b>	Rs. 4,00,000/- per month
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Mr. Kamruddin shall be entitled to receive a total remuneration including perquisites, etc., 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.
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### **Zakir Hussain Siddiqui**

Pursuant to a resolution passed by the Board of Directors at the meeting held on January 08, 2024 and approved by the Shareholders of our Company at the EGM held on January 10, 2024, Mr. Zakir Hussain Siddiqui was appointed as the Whole-time Director of our Company for a period of (five)5 years with effect from January 10, 2024 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.

<b>Basic Salary</b>	Rs. 3,00,000/- per month
<b>Minimum Remuneration</b>	In the event of loss or inadequacy of profits in any financial year, Mr. Zakir Hussain Siddiqui shall be entitled to receive a total remuneration including perquisites, etc., 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.

### **Remuneration details of our Directors**

#### *(i) Remuneration of our Executive Directors*

The aggregate value of the remuneration paid to the Executive Directors in Fiscal 2023 is as follows:

<b>S. No.</b>	<b>Name of the Director</b>	<b>Remuneration (₹ in lacs)</b>
1.	Mr. Kamruddin	24.00
2.	Ms. Fatima Begum	6.00
3.	Mr. Zakir Hussain Siddiqui	18.00
4.	Mr. Asif Khan	12.00

#### *(ii) Sitting fee details of our Independent Directors*

There were no Independent Directors in Fiscal 2023. Our Board of Directors in their meeting held on January 10, 2024 have fixed ₹ 25,000/- per meeting as sitting fee for Independent Director for attending meetings of the Board of Directors.

### **Payment or benefit to Directors of our Company**

Except as disclosed in this Draft Red Herring 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 Red Herring Prospectus, our Company does not have a subsidiary.

### **Loans to Directors**

There are no loans that have been availed by the Directors from our Company that are outstanding as on the date of this Draft Red Herring Prospectus.

### **Shareholding of Directors in our Company**

Except as stated below, none of our Directors holds any Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus:

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 Post-Issue Equity Share Capital
1.	Kamruddin	29,43,500	42.05	[•]	[•]
2.	Fatima Begum	14,70,700	21.01	[•]	[•]
3.	Zakir Hussain Siddiqui	7,63,700	10.91	[•]	[•]
4.	Asif Khan	6,30,000	9.00	[•]	[•]
5.	Mohd Amaan	5,95,000	8.50	[•]	[•]
6.	Mohd Akram	5,95,000	8.50	[•]	[•]
<b>Total</b>		<b>69,97,900</b>	<b>99.97</b>	[•]	[•]

*\*Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.*

#### **Shareholding of Directors in our Subsidiaries**

As on date of this Draft Red Herring Prospectus, our Company does not have a subsidiary.

#### **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 see “*Terms of appointment and remuneration of our Executive Directors*” above.

Mr. Kamruddin, Ms. Fatima Begum and Mr. Zakir Hussain Siddiqui, Mr. Asif Khan and Mr. Mohd. Akram are the Promoters of our Company and may be deemed to be interested in the promotion of our Company to the extent they have promoted our Company. Further Mohd Amaan is the immediate relative of the Promoters 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. Further, Ms. Fatima Begum, Executive Director of our Company is interested in the capacity that she owns the registered office of the Company. It is further stated that our directors have provided a personal guarantee extension for the loan obtained by our company.

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 promoters, 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 promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in “**Financial Information**” and “**Our Promoters and Promoter Group**” beginning on Page Nos. 139 and 131, respectively of this Draft Red Herring Prospectus, our Directors are not interested in any other company, entity or firm.

Except as stated in “**Restated Financial Information - Annexure – 4 Significant Accounting Policies and Explanatory Notes to the Restated Financial Statements**” beginning on Page No. 139 of this Draft Red Herring 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 Red Herring 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**

None of our Directors are a party to any bonus or profit sharing plan.

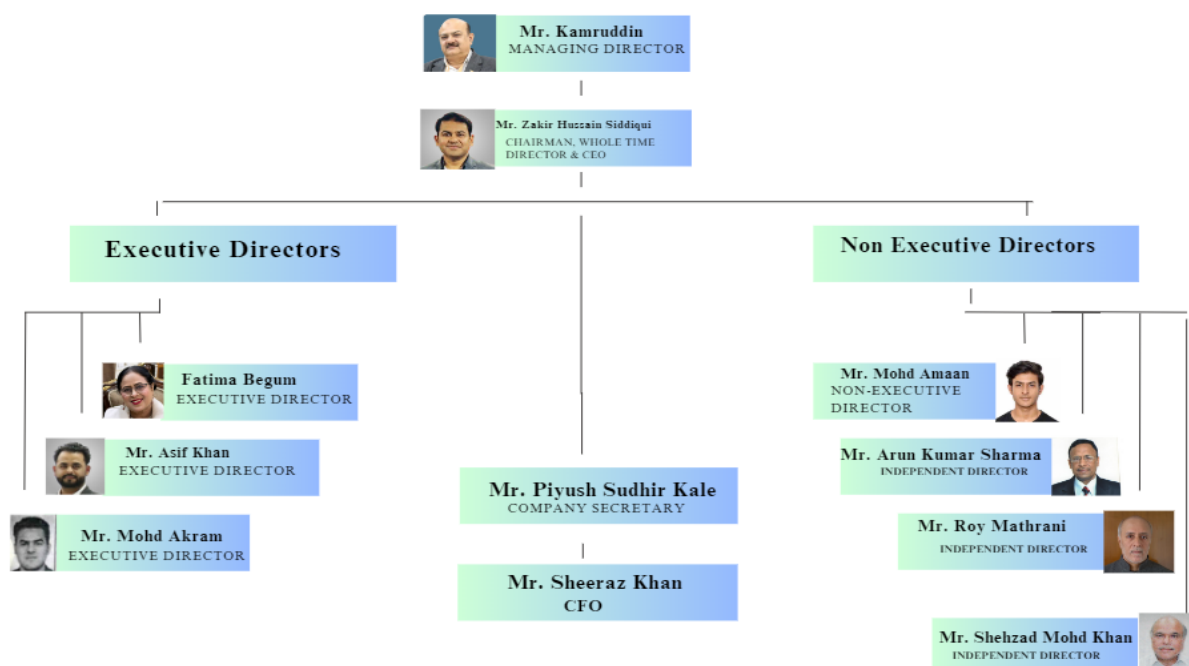
#### **Changes in our Board during the Last Three Years**

Except as disclosed below, there have been no changes in our Board during the last three years.

Name of Director	Date of Appointment/Change in Designation	Date of Cessation	Reasons for Change/ Appointment
Zakir Hussain Siddiqui	January 10, 2024	-	Appointment as Chief Executive Officer
Mr. Mohd Akram	January 10, 2024	-	Change in Designation to Executive Director
Mr. Mohd Amaan	January 10, 2024	-	Change in Designation to Non - Executive Director
Mohd Akram	January 08, 2024	-	Change in Designation to Non - Executive Director
Kamruddin	January 10, 2024	-	Change in Designation to Managing Director
Zakir Hussain Siddiqui	January 10, 2024	-	Change in Designation to Chairman and Whole – Time Director
Roy Mathrani	January 10, 2024	-	Appointment as Independent Director
Shehzad Mohd Khan	January 10, 2024	-	Appointment as Independent Director
Arun Kumar Sharma	January 10, 2024	-	Appointment as Independent Director
Roy Mathrani	-	November 17, 2023	Resignation
Arun Kumar Sharma	-	November 27, 2023	Resignation
Shehzad Mohd Khan	-	November 17, 2023	Resignation
Roy Mathrani	November 16, 2023	-	Appointment as Additional Independent Director
Arun Kumar Sharma	November 16, 2023	-	Appointment as Independent Director
Shehzad Mohd Khan	November 16, 2023	-	Appointment as Additional Independent Director
Mohd Akram	August 09, 2023	-	Appointment as Executive Director
Mohd Amaan	August 09, 2023	-	Appointment as Executive Director
Harbir Malik	-	July 18, 2023	Resignation
Harbir Malik	June 20, 2022	-	Appointment as Additional Non – Executive Director

### Management Organization Structure

Set forth is the management organization structure of our Company



## Corporate Governance

As our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, as on date of this Draft Red Herring Prospectus, the requirement specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (LODR) Regulations, 2015 are not applicable to our Company. In additions to the applicable provisions of the Companies Act, 2013 will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges. However, our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee. Our Board functions either on its own or through committees constituted thereof, 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:

- a) Audit Committee;
- b) Stakeholders' Relationship Committee;
- c) Nomination and Remuneration Committee.
- d) Corporate Social Responsibility Committee
- e) Internal Complaints Committee

Details of each of these committees are as follows:

#### *a. Audit Committee*

Our Audit Committee was constituted on January 10, 2024 with the following members forming a part of the said Committee:

Sr. No.	Name of Member	Nature of Directorship	Designation in Committee
1.	Roy Mathrani	Non – Executive Independent Director	Chairman
2.	Shehzad Mohd Khan	Non – Executive Independent Director	Member
3.	Arun Kumar Sharma	Non – Executive Independent Director	Member
4.	Kamruddin	Managing Director	Member
5.	Zakir Hussain Siddiqui	Whole - Time Director	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 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 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 January 10, 2024. The members of the said Committee are as follows:

<b>Sr. No.</b>	<b>Name of Member</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
1.	Shehzad Mohd Khan	Non – Executive Independent Director	Chairman
2.	Roy Mathrani	Non – Executive Independent Director	Member
3.	Arun Kumar Sharma	Non – Executive Independent Director	Member
4.	Kamruddin	Managing Director	Member
5.	Zakir Hussain Siddiqui	Whole - Time Director	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 January 10, 2024 with the following members:

Sr. No.	Name of Member	Nature of Directorship	Designation in Committee
1.	Arun Kumar Sharma	Non – Executive Independent Director	Chairman
2.	Shehzad Mohd Khan	Non – Executive Independent Director	Member
3.	Kamruddin	Managing Director	Member
4.	Zakir Hussain Siddiqui	Whole - Time Director	Member
5.	Mohd Akram	Executive Director	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 January 10, 2024 with the following members:

Sr. No.	Name of Member	Designation
1.	Roy Mathrani	Chairman
2.	Kamruddin	Member
3.	Shehzad Mohd Khan	Member
4.	Asif Khan	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.servokon.com](http://www.servokon.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.

**e. Corporate Internal Complaints Committee:**

Our Internal Complaints Committee was constituted on January 10, 2024 with the following members:

Sr. No.	Name of Member	Designation
1.	Ms. Khushboo Zaidi	Senior Women Employee
2.	Ms. Nabila	Social Worker
3.	Mr. Mohd Akhlaq	Others
4.	Ms. Vibha Sharma	Others

The responsibilities of the Internal Complaints Committee are as follows:

- i. Receiving complaints of sexual harassment at workplace;
- ii. Initiating and conducting inquiry as per the established procedure;

- iii. Keep the record of every complaint and settlement and to report it to the employer;
- iv. Submitting findings and recommendations of the inquiry;
- v. Coordinating with the employer in implementing appropriate action;
- vi. Maintaining strict confidentiality throughout the process as per established guidelines;
- vii. Submitting annual reports in prescribed format;
- viii. Provide the requisite copy of the settlement to the parties to the complaint.

### **Our Key Managerial Personnel and Senior Management**

In addition to our Whole Time Director and Managing Director, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Red Herring Prospectus:

Mr. Sheeraz Khan, aged 31 years, is the Chief Financial Officer of our Company.

Mr. Piyush Sudhir Kale, aged 23 years, is the Company Secretary and Compliance Officer of our Company.

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

### **Relationship of Key Managerial Personnel and Senior Management with our Directors, Promoters and / or other Key Managerial Personnel and Senior Management**

Except as disclosed under the heading "*Relationship between our Directors*" herein above and except as mentioned below, none of the key managerial personnel and senior management are related to each other or to our Promoters or to any of our Directors:

<b>Name of Senior Management Personnel</b>	<b>Designation</b>	<b>Relation</b>
Mohd. Sadiq	Senior Management Personnel	<ul style="list-style-type: none"> <li>• Brother of Mr. Kamruddin</li> <li>• Brother-in-Law of Ms. Fatima Begum</li> </ul>

### **Shareholding of the Key Managerial Personnel and Senior Management**

Except as disclosed in "*Shareholding of our Directors*" and except as mentioned below none of our KMPs and SMP holds any Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus:

<b>Name of Senior Management Personnel</b>	<b>Designation</b>	<b>No. Of Equity Shares held</b>
Mohd. Sadiq	Senior Management Personnel	700 Equity Shares
Manzoor Alam	Senior Management Personnel	700 Equity Shares

### **Bonus or Profit Sharing Plan for our Key Managerial Personnel and Senior Management**

None of our Key Managerial Personnel and Senior Management is a party to any bonus or profit sharing plan.

### **Payment or benefit to Key Managerial Personnel and Senior Management of our Company**

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within two preceding years or is intended to be paid or given to any of the Key Managerial Personnel and Senior Management 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 and Senior Management.

### **Interest of Key Managerial Personnel and Senior Management**

Except as disclosed in this Draft Red Herring Prospectus, none of our Key Managerial Personnel's and Senior Management'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 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 and Senior Management have been appointed.

### **Changes in Key Managerial Personnel in the Last Three Years**

Set forth below, are the changes in our Key Managerial Personnel and Senior Management in the last three years immediately preceding the date of filing of this Draft Red Herring Prospectus:

<b>Name</b>	<b>Designation</b>	<b>Date of change</b>	<b>Reason</b>
Mr. Piyush Sudhir Kale	Company Secretary and Compliance Officer	January 08, 2024	Appointment
Mr. Sheeraz Khan	Chief Financial Officer	January 08, 2024	Appointment
Mr. Kamruddin	Managing Director	January 10, 2024	Change in Designation
Mr. Zakir Hussain Siddiqui	Whole – Time Director	January 10, 2024	Change in Designation

The attrition of the key management personnel and Senior Management is as per the industry standards.

#### **Employees' Stock Option Plan**

As on date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

#### **Loans taken by Directors / Key Management Personnel and Senior Management**



Our Company has not granted any loans to the Directors and/or Key Management Personnel and Senior Management as on the date of this Draft Red Herring Prospectus.

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## OUR PROMOTER AND PROMOTER GROUP

As on the date of this Draft Red Herring Prospectus, our Promoters holds, 64,02,900 Equity Shares, constituting 91.47% of our pre – Issue issued, subscribed and paid-up equity share capital of our Company. For details of the build-up of our Promoters’ shareholding in our Company, see “*Capital Structure*” on page 53 of this Draft Red Herring Prospectus.

### Details of our Promoters

	<p><b>Kamruddin</b></p> <p>Mr. Kamruddin, aged 60 years, is the Promoter and Managing Director of our Company.</p> <p>For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “<i>Our Management</i>” on page 115 of this Draft Red Herring Prospectus.</p> <p><b>Date of birth:</b> March 05, 1963</p> <p><b>Permanent account number:</b> AAPPK7839Q</p> <p><b>Address:</b> B-150, Priyadarshini Vihar, Laxmi Nagar, East Delhi, Delhi - 110092</p>
	<p><b>Fatima Begum</b></p> <p>Ms. Fatima Begum, aged 57 years, is the Promoter Executive Director of our Company.</p> <p>For details of her educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled “<i>Our Management</i>” on page 115 of this Draft Red Herring Prospectus.</p> <p><b>Date of birth:</b> July 24, 1966</p> <p><b>Permanent account number:</b> AAKPB3132A</p> <p><b>Address:</b> B-150, Priyadarshini Vihar, Laxmi Nagar, East Delhi, Delhi - 110092</p>



### **Zakir Hussain Siddiqui**

Mr. Zakir Hussain Siddiqui, aged 37 years, is the Promoter, Chief Executive Officer and Whole-time Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled ***“Our Management”*** on page 115 of this Draft Red Herring Prospectus.

**Date of birth:** September 30, 1986

**Permanent account number:** ABOPH3729E

**Address:** B-150, Priyadarshini Vihar, Laxmi Nagar, East Delhi, Delhi – 110092



### **Asif Khan**

Mr. Asif Khan, aged 32 years, is the Promoter and Executive Director of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled ***“Our Management”*** on page 115 of this Draft Red Herring Prospectus.

**Date of birth:** November 28, 1991

**Permanent account number:** BWFPK4027F

**Address:** B-150, Priyadarshini Vihar, Near LPS School, Laxmi Nagar, East Delhi, Delhi – 110092





#### **Mohd Akram**

Mr. Mohd Akram, aged 28 years, is the Promoter and Executive of our Company.

For details of his educational qualifications, experience, other directorships, positions / posts held in the past and other directorships and special achievements, see the chapter titled **“Our Management”** on page 115 of this Draft Red Herring Prospectus.

**Date of birth:** November 15, 1995

**Permanent account number:** BWCPA3922Q

**Address:** B-150, Priyadarshini Vihar, Laxmi Nagar, Gandhi Nagar, East Delhi, Delhi – 110092

#### **Other Undertakings and Confirmations**

Our Company undertakes that the details of Permanent Account Number, Bank Account Number(s), Aadhar Card Number, Driving License Number and Passport Number of the Promoters will be submitted at the time of submission of this DRHP with NSE for listing of the securities of our Company on EMERGE Platform of NSE.

Our Promoters and the members of our Promoter Group have confirmed that they have not been identified as wilful defaulter or a fraudulent borrower by the RBI or any other governmental authority. No violations of securities laws have been committed by our Promoters or members of our Promoter Group in the past or are currently pending against them.

None of (i) our Promoters and members of our Promoter Group or persons in control of or on the boards of bodies corporate forming part of our Group (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.

#### **Other Ventures of our Promoters**

The Entities in which our Promoters are involved in are as follows:

Sr. No.	Name of Promoters	Name of Entity
1.	Kamruddin	Servokon Education Foundation
		Servokon Engineers, UP
		Servokon Engineers, Uttarakhand
2.	Fatima Begum	Nil
3.	Zakir Hussain Siddiqui	Nil
4.	Mr. Asif Khan	Nil
5.	Mr. Mohd Akram	Nil

#### **Change in Control of our Company**

Kamruddin and Fatima Begum are the original promoters of our company. Other promoters have become promoters of our company over the years due to change in shareholding in terms of SEBI ICDR Regulations, in last five years immediately preceding the date of this Draft Red Herring Prospectus. For Further details please refer Capital Structure-Details of Build Up of Our Promoter’s Shareholding on page no. 53 of this Draft Red Herring Prospectus.

#### **Experience of our Promoters in the business of our Company**

For details in relation to experience of our Promoters in the business of our Company, please refer to the chapter titled **“Our Management”** beginning on page 115 of this Draft Red Herring Prospectus.

#### **Interest of our Promoters**



### *Interest in promotion of our Company*

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding in our Company and the dividends payable, if any, and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives in our Company. For details of the shareholding and directorships of our Promoters in our Company, please refer to the chapter titled “*Capital Structure*”, “*Our Management*” and “*Related Party Transactions*” beginning on page 53, 115 and 139, respectively of this.

### *Interest of Promoters in our Company other than as a Promoter*

Our Promoters, Mr. Kamruddin, Ms. Fatima Begum, Mr. Zakir Hussain Siddiqui, Mr. Asif Khan and Mr. Mohd Akram are the Managing Director, Whole-time Director and Executive Directors and, respectively, of our Company therefore, may deemed to be considered interested to the extent of any remuneration which shall be payable to them in such capacity. Further, the Registered Office of the Company is owned by Ms. Fatima Begum. Except as stated in this section and the section titled “*Our Management*” and “*Related Party Transactions*” on pages 115 and 139, respectively, our Promoters do not have any interest in our Company other than as a Promoter.

### **Interest in the properties of our Company**

Except as disclosed in the section titled “*Our Business*”, “*Financial Information*” and the chapter titled “*Related Party Transaction*” on pages 83 and 139 our Promoters are not interested in the properties acquired by our Company in the three years preceding the date of filing of this 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 section titled “*Our Management*”, “*Related Party Transactions*” under the chapter titled “*Financial Information*” on pages 115, and 139, respectively, our Promoters do not has any interest in our Company other than as a Promoter.

**Except as stated in the section titled “*Our Management*”** none of our Promoters are 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.

### **Payment or benefits to our Promoters and Promoter Group during the last two years**

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 Promoters or the members of our Promoter Group during the last two years from the date of this nor is there any intention to pay or give any benefit to our Promoters or Promoter group as on the date of this. For further details, please refer to the chapter titled “*Related Party Transactions*” on page 139 of this Draft Red Herring Prospectus.

### **Litigations involving our Promoters**

There are litigations filed by or against our Promoters, please refer to the Chapter titled “*Outstanding Litigations and Material Developments*” on page 159 of this Draft Red Herring Prospectus.

### **Guarantees**

Our Promoters have given guarantees. For further details please refer to the chapter titled “*Financial Indebtedness*” and “*Restated Financial Information*” beginning on pages 142 and 139 of this Draft Red Herring Prospectus.

### **Details of Companies / Firms from which our Promoters have disassociated in the last three years**

Except Mr. Kamruddin, who has disassociated himself from Servokon Royal Taj Agency, none of the promoters have disassociated themselves from any company/firm during the three years preceding this Draft Red Herring Prospectus.

### **OUR PROMOTER GROUP**

In addition to our Promoters, 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:***

<b>Name of the Promoters</b>	<b>Name of the member of Promoter Group</b>	<b>Relationship with the Promoter</b>
Kamruddin	Late Badshah	Father
	Munni Begum	Mother
	Fatima Begum	Spouse
	Najaruddeen	Brother

Name of the Promoters	Name of the member of Promoter Group	Relationship with the Promoter
	Mohd. Ashfaq	Brother
	Mohd Mukhatar	Brother
	Mohd Sadiq	Brother
	Mohd Eshtyak	Brother
	Nashreen Siddiqui	Sister
	Zakir Hussain Siddiqui	Son
	Asif Khan	Son
	Mohd Akram	Son
	Mohd Amaan	Son
	Nisha Khan Siddiqui	Daughter
	Zeenat Fatima	Daughter
	Late Abdul Khalil	Spouse's Father
	Amna Begum	Spouse's Mother
	Ajad Ahamad	Spouse's Brother
	Samashad	Spouse's Brother
	Dilshad Khan	Spouse's Brother
	Late. Irshad	Spouse's Brother
	Mohd Naushad	Spouse's Brother
	Mohammad Aalam Siddiqui	Spouse's Brother
Fatima Begum	Late Abdul Khalil	Father
	Amna Begum	Mother
	Kamruddin	Spouse
	Ajad Ahamad	Brother
	Samashad	Brother
	Dilshad Khan	Brother
	Late. Irshad	Brother
	Mohd Naushad	Brother
	Mohammad Aalam Siddiqui	Brother
	Zakir Hussain Siddiqui	Son
	Asif Khan	Son
	Mohd Akram	Son
	Mohd. Amaan	Son
	Nisha Khan Siddiqui	Daughter
	Zeenat Fatima	Daughter
	Late Badshah	Spouse's Father
	Munni Begum	Spouse's Mother
	Najaruddeen	Spouse's Brother
	Mohd. Ashfaq	Spouse's Brother
	Mohd. Eshtyak	Spouse's Brother
	Mohd. Mukhatar	Spouse's Brother
	Mohd. Sadiq	Spouse's Brother
	Nashreen Siddiqui	Spouse's Sister
Zakir Hussain Siddiqui	Kamruddin	Father
	Fatima Begum	Mother
	Anam Siddiqui	Spouse
	Asif Khan	Brother
	Mohd Akram	Brother
	Mohd. Amaan	Brother
	Nisha Khan Siddiqui	Sister
	Zeenat Fatima	Sister
	Mohammad Hamd	Son
	Zunairah Siddiqui	Daughter
	Zaima Siddiqui	Daughter
	Badar Ahmad Kazmi	Spouse's Father
	Shaheen Badar	Spouse's Mother
	Late Aslam Munir Kazmi	Spouse's Brother
	Sana Kazmi	Spouse's Sister

Name of the Promoters	Name of the member of Promoter Group	Relationship with the Promoter
Asif Khan	Kamruddin	Father
	Fatima Begum	Mother
	Sabiya Sehrish	Spouse
	Zakir Hussain Siddiqui	Brother
	Mohd Akram	Brother
	Mohd. Amaan	Brother
	Nisha Khan Siddiqui	Sister
	Zeenat Fatima	Sister
	Abdul Rauf Javed	Spouse's Father
	Nusrat Tabassum	Spouse's Mother
	Waqar Javed	Spouse's Brother
	Mohd Arshaan Javed	Spouse's Brother
	Mohd Asim	Spouse's Brother
Mohd Akram	Kamruddin	Father
	Fatima Begum	Mother
	Ilma Ansar	Spouse
	Zakir Hussain Siddiqui	Brother
	Asif Khan	Brother
	Mohd. Amaan	Brother
	Nisha Khan Siddiqui	Sister
	Zeenat Fatima	Sister
	Ansar Ahmad	Spouse's Father
	Sultana Parveen	Spouse's Mother
	Mohd Aman Ansar	Spouse's Brother
	Hamza Ansar	Spouse's Brother
	Farheen Ansar	Spouse's Sister

**Entities forming part of the Promoter Group:**

Except as stated below, no other company, firm or HUF are forming part of the promoter group:

Sr. No.	Name of the entity
1.	Servokon Education Foundation
2.	Power Silicon India
3.	Ruhi Industries
4.	Servo Step Power Private Limited
5.	Servokon Engineers, U.P.
6.	Servokon Engineers, Uttarakhand
7.	Power Line Systems
8.	Servo Technologies System

**Other Confirmations**

None of our Promoters and members of the Promoter Group have been declared as wilful defaulters or as a fraudulent borrowers by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our Promoters or Promoter Group entities have 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 Promoters 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 Promoters.

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### **OUR GROUP COMPANY**

The definition of ‘Group Companies’ as per the SEBI ICDR Regulations, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which Financial Statements is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

Pursuant to a resolution of our Board dated October 30, 2023, 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 Issue Documents, our Company has considered the companies with which (i) there were related party transactions, during the period for which financial information is disclosed in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus, as covered under the applicable accounting standards and (ii) such Company forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI Regulations; and Companies who entered into one or more transactions with such Company in preceding fiscal or audit period as the case may be, exceeding 10% of total revenue of the Company.

Accordingly, pursuant to the said resolution passed by our Board of Directors and the materiality policy adopted, for determining our Group Companies, there are no Group Companies of our Company.

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## **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 to, 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 Red Herring Prospectus, our Company does not have a formal dividend policy.

Upon 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, please refer section titled “*Risk Factors*” on Page No. 27 of this Draft Red Herring Prospectus.

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**SECTION VI – FINANCIAL INFORMATION**  
**RESTATED FINANCIAL STATEMENTS**

<b>S. No.</b>	<b>Details</b>	<b>Page Number</b>
1.	Restated Financial Information	F1 – F44

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## Independent Auditor's Report on Restated Financial Statements

To,  
**The Board of Directors**  
**Servokon Systems Limited**  
C-13, Radhu Palace Road Laxmi Nagar, Delhi,  
India, 110092

1. We have examined the attached restated financial information of **Servokon Systems Limited** (hereinafter referred to as “**the Company**”) comprising the restated statement of assets and liabilities as at September 30, 2023, March 31, 2023, 2022 and 2021, restated statement of profit and loss and restated cash flow statement for the financial year/period ended on September 30, 2023, March 31, 2023, 2022 and 2021 and the summary statement of significant accounting policies and other explanatory information (collectively referred to as the “**restated financial information**” or “**Restated Financial Statements**”) annexed to this report and initialed by us for identification purposes. These Restated Financial Statements have been prepared by the management of the Company and approved by the board of directors at their meeting in connection with the proposed Initial Public Offering on Emerge Platform (“**IPO**” or “**SME IPO**”) of National Stock Exchange Of India Limited (“**NSE**”) of the company.
2. These restated summary statements have been prepared in accordance with the requirements of:
  - (i) Section 26 of Part – I of Chapter III of Companies Act, 2013 (the “**Act**”) read with Companies (Prospectus and Allotment of Securities) Rules 2014;
  - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“**ICDR Regulations**”) and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“**SEBI**”);
  - (iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**Guidance Note**”)
3. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statements for inclusion in the Draft Red-Herring Prospectus/ Red-Herring Prospectus/ Prospectus (“**Offer Document**”) to be filed with Securities and Exchange Board of India (“**SEBI**”), NSE and Registrar of Companies (Delhi) in connection with the proposed IPO. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Statements. The responsibility of the board of directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The board of directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
4. We have examined such Restated Financial Statements taking into consideration:
  - (i) The terms of reference and terms of our engagement letter requesting us to carry out the assignment, in connection with the proposed SME IPO;

- (ii) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - (iii) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements;
  - (iv) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. The Restated Financial Statements of the Company have been compiled by the management from audited financial statements for the period/ year ended on September 30 , 2023, March 31, 2023, 2022 and 2021.
6. Audit for the financial period ended on September 30 , 2023 was conducted by us vide report dt.19-01-2024. Audit for the financial year ended March 31, 2023 , 2022 and 2021 was conducted by Neeraj Satish & Associates vide their report dt. September 01 , 2023 , September 01 , 2022 and October 26, 2021. There are no audit qualifications in the audit reports issued by previous auditors and which would require adjustments in the Restated Financial Statements of the Company. The financial report included for these period/years is based solely on the report submitted by him.
7. Based on our examination and according to information and explanations given to us, we are of the opinion that the Restated Financial Statements:
- a) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping / reclassifications retrospectively in the financial year/period ended on September 30 , 2023, March 31, 2023, 2022 and 2021.
  - b) do not require any adjustment for modification as there is no modification in the underlying audit reports;
  - c) have no extra-ordinary items that need to be disclosed separately in the accounts and requiring adjustments.
  - d) have been prepared in accordance with the Act, ICDR Regulations and Guidance Note.
8. In accordance with the requirements of the Act including the rules made there under, ICDR Regulations, Guidance Note and engagement letter, we report that:
- (i) The “**restated statement of asset and liabilities**” of the Company as at September 30 , 2023, March 31, 2023, 2022 and 2021 examined by us, as set out in **Annexure I** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.



- (ii) The “**restated statement of profit and loss**” of the Company for the financial year/period ended as at September 30 , 2023, March 31, 2023, 2022 and 2021 examined by us, as set out in **Annexure II** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to the restated summary statements to this report.
- (iii) The “**restated statement of cash flows**” of the Company for the financial year/period ended as at September 30 , 2023, March 31, 2023, 2022 and 2021 examined by us, as set out in **Annexure III** to this report read with significant accounting policies in **Annexure IV** has been arrived at after making such adjustments and regroupings to the audited financial statements of the Company, as in our opinion were appropriate and more fully described in notes to restated summary statements to this report.
9. We have also examined the following other financial information relating to the Company prepared by the management and as approved by the board of directors of the Company and annexed to this report relating to the Company for the financial year/period ended as at September 30 , 2023, March 31, 2022, 2021 and 2020 proposed to be included in the Offer Document.

**Annexure to Restated Financial Statements of the Company:-**

- I. Summary statement of assets and liabilities, as restated as appearing in ANNEXURE I;
- II. Summary statement of profit and loss, as restated as appearing in ANNEXURE II;
- III. Summary statement of cash flows as restated as appearing in ANNEXURE III;
- IV. Corporate Information, Significant accounting policies as restated and Notes to reconciliation of restated profits and net worth as appearing in ANNEXURE IV;
- V. Details of share capital as restated as appearing in ANNEXURE V to this report;
- VI. Details of reserves and surplus as restated as appearing in ANNEXURE VI to this report;
- VII. Details of long-term borrowings as restated as appearing in ANNEXURE VII to this report;
- VIII. Details of Deferred tax liabilities as restated as appearing in ANNEXURE VIII to this report;
- IX. Details of long-term provisions as restated as appearing in ANNEXURE IX to this report;
- X. Details of short-term borrowings as restated as appearing in ANNEXURE X to this report;
- XI. Details of trade payables as restated as appearing in ANNEXURE XI to this report;
- XII. Details of other current liabilities as restated as appearing in ANNEXURE XII to this report;
- XIII. Details of short-term provisions as restated as appearing in ANNEXURE XIII to this report;
- XIV. Details of property, plant & equipment and intangible assets as appearing in ANNEXURE XIV to this report;
- XV. Details of non-current investments as restated as appearing in ANNEXURE XV to this report;
- XVI. Details of long-term loans and advances as restated as appearing in ANNEXURE XVI to this report;
- XVII. Details of other non-current assets as restated as appearing in ANNEXURE XVII to this report;
- XVIII. Details of inventories as restated as appearing in ANNEXURE XVIII to this report;
- XIX. Details of trade receivables as restated as appearing in ANNEXURE XIX to this report;
- XX. Details of cash and bank balances as restated as appearing in ANNEXURE XX to this report;
- XXI. Details of short-term loans and advances as restated as appearing in ANNEXURE XXI to this report;
- XXII. Details of revenue from operations as restated as appearing in ANNEXURE XXII to this report;
- XXIII. Details of other income as restated as appearing in ANNEXURE XXIII to this report;
- XXIV. Details of cost of material consumed as restated as appearing in ANNEXURE XXIV to this report;
- XXV. Details of direct expenses as restated as appearing in ANNEXURE XXV to this report;
- XXVI. Details of Change in inventories of work in progress , finished goods and stock in trade as

- restated as appearing in ANNEXURE XXVI to this report;
  - XXVII. Details of employee benefit expenses as restated as appearing in ANNEXURE XXVII to this report;
  - XXVIII. Details of finance costs as restated as appearing in ANNEXURE XXVIII to this report;
  - XXIX. Details of depreciation and amortization expense as restated as appearing in ANNEXURE XXIX to this report;
  - XXX. Details of other expenses as restated as appearing in ANNEXURE XXX to this report;
  - XXXI. Details of bifurcative other income as restated as appearing in ANNEXURE XXXI to this report;
  - XXXII. Ageing of trade payables as restated as appearing in ANNEXURE XXXII to this report;
  - XXXIII. Ageing of trade receivables as restated as appearing in ANNEXURE XXXIII to this report;
  - XXXIV. Disclosure under AS-15 as restated as appearing in ANNEXURE XXXIV to this report;
  - XXXV. Summary of significant accounting ratios as restated as appearing in ANNEXURE XXXV to this report;
  - XXXVI. Statement of tax shelters as restated as appearing in ANNEXURE XXXVI to this report;
  - XXXVII. Details of related party transactions as restated as appearing in ANNEXURE XXXVII to this report;
  - XXXVIII. Details of contingent liabilities & commitment as restated as appearing in ANNEXURE XXXVIII to this report;
  - XXXIX. Details of restated value of imports calculated on C.I.F. basis by the company during the financial year/period as appearing in ANNEXURE XXXIX to this report;
  - XL. Details of expenditure in foreign currency during the financial year/period as restated as appearing in ANNEXURE XL to this report;
  - XLI. Details of earnings in foreign exchange as restated as appearing in ANNEXURE XLI to this report;
  - XLII. Details of dues of small enterprises and micro enterprises as restated as appearing in ANNEXURE XLII to this report;
  - XLIII. Additional Regulatory Information as per Para Y of Schedule III to Companies Act, 2013 as restated as appearing in ANNEXURE XLIII to this report;
  - XLIV. Capitalisation Statement as at September 30 , 2023 as restated as appearing in ANNEXURE XLIV to this report;
10. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other firm of Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to therein.
  11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
  12. Our report is intended solely for use of the board of directors for inclusion in the offer document to be filed with SEBI, NSE and Registrar of Companies (Delhi) in connection with the proposed SME 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.

**M/s Manish Pandey & Associates**  
**Chartered Accountants**  
**FRN - 019807C**

**Sd/-**  
**Praveen Kumar sarin**  
**Partner**  
**Mem No- 073473**  
**UDIN - 24073473BKCZVS7816**

**Place : New Delhi**  
**Date: 22-01-2024**

# Servokon Systems Limited

CIN: U32301DL1995PLC068876

## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

ANNEXURE - I  
(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
1)	<b>EQUITY AND LIABILITIES</b>					
	<b><u>Shareholders Funds</u></b>					
	a. Share Capital	V	100.00	63.17	63.17	63.17
	b. Reserves & Surplus	VI	1,349.58	1,041.31	712.46	586.88
2)	<b><u>Non - Current Liabilities</u></b>					
	a. Long-term Borrowings	VII	1,523.35	1,283.90	1,285.78	1,451.71
	b. Deferred Tax Liabilities	VIII	-	-	8.68	9.19
	c. Long-term Provisions	IX	76.67	68.37	52.53	59.96
3)	<b><u>Current Liabilities</u></b>					
	a. Short Term Borrowings	X	1,751.10	1,694.90	836.86	692.61
	b. Trade Payables	XI				
	- Due to Micro, Small and Medium Enterprises		-	-	-	-
	- Due to Others		2,353.06	1,795.00	1,937.33	1,988.41
	c. Other Current liabilities	XII	1,257.66	1,053.17	534.13	210.93
	d. Short Term Provisions	XIII	94.39	64.55	24.42	21.33
<b>T O T A L</b>			<b>8,505.81</b>	<b>7,064.38</b>	<b>5,455.36</b>	<b>5,084.19</b>
1)	<b>ASSETS</b>					
	<b><u>Non Current Assets</u></b>					
	a. Property, Plant & Equipment and Intangible Assets	XIV				
	- Property, Plant & Equipment		983.70	1,012.38	911.77	777.79
	- Intangible Assets		18.45	23.05	41.81	-
	- Capital Work-in-Progress		-	-	-	-
	b. Non-Current Investments	XV	0.40	0.40	0.40	0.40
	c. Deferred Tax Assets	VIII	11.25	3.38	-	-
	d. Long-term Loans & Advances	XVI	1,188.56	848.52	399.02	262.61
	e. Other Non-current assets	XVII	8.76	18.28	17.82	17.27
2)	<b><u>Current Assets</u></b>					
	a. Inventories	XVIII	3,686.90	3,031.98	2,647.64	2,607.71
	b. Trade Receivables	XIX	2,117.67	1,713.70	1,074.90	1,129.50
	c. Cash and Bank Balance	XX	275.81	231.29	223.29	223.47
	d. Short term loan and advances	XXI	214.31	181.40	138.71	65.44
<b>T O T A L</b>			<b>8,505.81</b>	<b>7,064.38</b>	<b>5,455.36</b>	<b>5,084.19</b>

See accompanying annexures forming part of the restated financial statements (Refer Annexure No. IV to XLIV)

M/s Manish pandey & Associates  
Chartered Accountants  
FRN - 019807C

For and on behalf of the Board of Directors of  
Servokon Systems Limited

Sd/-  
Praveen Kumar sarin  
Partner  
Mem No- 073473  
UDIN - 24073473BK CZVS7816

Sd/-  
Zakir Siddiqui Hussain  
(Whole - time Managing Director)  
DIN - 00452052

Sd/-  
Kamruddin  
(Managing Director)  
DIN - 00451893

Place : New Delhi  
Date : 22-01-2024

Sd/-  
Sheeraz Khan  
(CFO)  
PAN : CSBPK6639L

Sd/-  
Piyush Sudhir Kale  
(Company Secretary)  
PAN : HIMPK2313F

Place : New Delhi  
Date : 22-01-2024

Place : New Delhi  
Date : 22-01-2024

# Servokon Systems Limited

CIN: U32301DL1995PLC068876

## STATEMENT OF PROFIT AND LOSS AS RESTATED

ANNEXURE - II  
(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A</b>	<b>INCOME</b>					
	Revenue from Operations	XXII	6,531.80	12,263.01	8,659.18	5,332.50
	Other Income	XXIII	51.96	109.09	86.49	72.07
	<b>Total Income (A)</b>		<b>6,583.76</b>	<b>12,372.10</b>	<b>8,745.67</b>	<b>5,404.57</b>
<b>B</b>	<b>EXPENDITURE</b>					
	Cost of material consumed	XXIV	5,011.30	10,168.33	6,215.07	4,960.43
	Direct Expenses	XXV	342.19	533.35	240.52	144.41
	Changes In Inventories Of Work In Progress ,Finished Goods & Stock-In-Trade	XXVI	(172.19)	(801.32)	804.21	(739.92)
	Employee benefits expense	XXVII	308.04	490.89	358.30	298.73
	Finance costs	XXVIII	183.88	264.45	237.42	199.53
	Depreciation and amortization expense	XXIX	74.01	169.70	93.06	56.77
	Other expenses	XXX	413.88	1,093.17	625.73	311.38
	<b>Total Expenses (B)</b>		<b>6,161.11</b>	<b>11,918.57</b>	<b>8,574.31</b>	<b>5,231.33</b>
<b>C</b>	<b>Profit before tax</b>		<b>422.65</b>	<b>453.53</b>	<b>171.36</b>	<b>173.24</b>
<b>D</b>	<b>Tax Expense:</b>					
	(i) Current tax	XXXVI	122.27	136.73	46.29	48.74
	(ii) Deferred tax expenses/(credit)	VIII	(7.89)	(12.05)	(0.51)	(16.73)
	<b>Total Expenses (D)</b>		<b>114.38</b>	<b>124.68</b>	<b>45.78</b>	<b>32.01</b>
<b>E</b>	<b>Profit for the year (C-D)</b>		<b>308.27</b>	<b>328.85</b>	<b>125.58</b>	<b>141.23</b>
<b>F</b>	<b>Earnings per share (Face value of ₹ 10/- each):</b>					
	i. Basic		<b>45.60</b>	<b>52.06</b>	<b>19.88</b>	<b>22.36</b>
	ii. Diluted		<b>45.60</b>	<b>52.06</b>	<b>19.88</b>	<b>22.36</b>

See accompanying annexures forming part of the restated financial statements (Refer Annexure No. IV to XLIV)

M/s Manish pandey & Associates  
Chartered Accountants  
FRN - 019807C

For and on behalf of the Board of Directors of  
Servokon Systems Limited

Sd/-

Praveen Kumar sarin  
Partner  
Mem No- 073473  
UDIN - 24073473BKCVS7816

Sd/-

Zakir Siddiqui Hussain  
(Whole - time Managing Director)  
DIN - 00452052

Sd/-

Kamruddin  
(Managing Director)  
DIN - 00451893

Sd/-

Sheeraz Khan  
(CFO)  
PAN : CSBPK6639L

Sd/-

Piyush Sudhir Kale  
(Company Secretary)  
PAN : HIMP2313F

Place : New Delhi  
Date : 22-01-2024

Place : New Delhi  
Date : 22-01-2024

# Servokon Systems Limited

CIN: U32301DL1995PLC068876

## STATEMENT OF CASH FLOW AS RESTATED

## ANNEXURE - III

(₹ In Lakhs)

Particulars	For the Period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash Flow From Operating Activities:</b>				
Net Profit before tax as per Profit And Loss A/c	422.65	453.53	171.36	173.24
<b>Adjustments for:</b>				
Finance Cost	183.88	264.45	237.42	199.53
Gratuity Provision	10.38	16.86	12.27	8.64
Interest Income	(9.99)	(9.56)	(7.77)	(7.84)
Profit on sale of fixed asset	-	-	(0.70)	(1.70)
Bad debts written off	-	-	-	13.52
Depreciation and Amortisation Expense	74.01	169.70	93.06	56.77
<b>Operating Profit Before Working Capital Changes</b>	<b>680.93</b>	<b>894.98</b>	<b>505.64</b>	<b>442.16</b>
Adjusted for (Increase)/Decrease in operating assets				
Inventories	(654.92)	(384.33)	(39.93)	(455.68)
Trade receivables	(403.97)	(638.80)	54.60	(190.65)
Loans & advances	(372.97)	(492.19)	(209.68)	140.92
Other assets	(46.56)	(25.23)	(12.07)	(80.09)
Adjusted for Increase/(Decrease) in operating liabilities:				
Trade payables	558.06	(142.32)	(51.09)	208.40
Other current liabilities and provisions	204.48	519.03	322.57	18.56
<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>(34.95)</b>	<b>(268.86)</b>	<b>570.05</b>	<b>83.62</b>
Net Income Tax paid/ refunded	(94.51)	(97.61)	(62.27)	(57.77)
<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>(129.46)</b>	<b>(366.47)</b>	<b>507.78</b>	<b>25.85</b>
Purchase of property, plant & equipment and intangible assets	(40.70)	(251.57)	(270.66)	(295.19)
Sale of property, plant & equipment	-	-	2.51	3.16
Interest Income Received	9.99	9.56	7.77	7.84
<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(30.71)</b>	<b>(242.01)</b>	<b>(260.38)</b>	<b>(284.19)</b>
<b>Cash Flow from Financing Activities:</b>				
Proceeds/(Repayment) of Borrowings	295.65	856.17	(21.68)	508.67
Fresh Issue of Right shares	36.83	-	-	-
Finance Cost Paid	(183.88)	(264.45)	(237.42)	(199.53)
<b>Net Cash Flow from/(used in) Financing Activities: (C)</b>	<b>148.60</b>	<b>591.72</b>	<b>(259.10)</b>	<b>309.14</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(11.57)</b>	<b>(16.77)</b>	<b>(11.71)</b>	<b>50.81</b>
Cash & Cash Equivalents As At Beginning of the Year	38.35	55.11	66.82	16.01
Cash & Cash Equivalents As At End of the Year	<b>26.78</b>	<b>38.35</b>	<b>55.11</b>	<b>66.82</b>

See accompanying annexures forming part of the restated financial statements (Refer Annexure No. IV to XLIV)

Note: The Cash Flow Statements has been prepared under Indirect Method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under section 133 of the Companies Act, 2013.

M/s Manish pandey & Associates  
Chartered Accountants  
FRN - 019807C

For and on behalf of the Board of Directors of  
Servokon Systems Limited

Sd/-  
Praveen Kumar sarin  
Partner  
Mem No- 073473  
UDIN - 24073473BKCZVS7816

Sd/-  
Zakir Siddiqui Hussain  
(Whole - time Managing Director)  
DIN - 00452052

Sd/-  
Kamruddin  
(Managing Director)  
DIN - 00451893

Place : New Delhi  
Date : 22-01-2024  
UDIN - 24073473BKCZVS7816

Sd/-  
Sheeraz Khan  
(CFO)  
PAN : CSBPK6639L

Sd/-  
Piyush Sudhir  
Kale  
(Company Secretary)  
PAN : HIMP2313F

Place : New Delhi

Date : 22-01-2024

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH**

**1. CORPORATE INFORMATION**

Servokon Systems Limited is a company Incorporated on May 23, 1995, as formerly “Servokon Systems Private Limited”.

The corporate identification number of the company is U32301DL1995PLC068876

The company has been converted from Private Company to Public Company on March 28 , 2006.

The company is engaged in the business of the manufacturing and assembling of huge range various electronic appliances such as stabilizers , transformers online UPS etc.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.01 BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS**

The restated summary statement of assets and liabilities of the Company as at September 30, 2023, March 31, 2023, March 31, 2022 and 2021 and the related restated summary statement of profits and loss and cash flows for the year/period ended September 30, 2023, March 31, 2023, March 31, 2022 and 2021 (herein collectively referred to as (“Restated Summary Statements”) have been compiled by the management from the audited Financial Statements of the Company for the year/period ended on September 30, 2023, March 31, 2023, March 31, 2022 and 2021 approved by the Board of Directors of the Company. 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 in connection with its proposed SME 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 financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles in India.

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 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 realization 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.

**2.02 USE OF ESTIMATES**

The preparation of the financial statements in conformity with Indian GAAP 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 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.

**2.03 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS**

**(i) Property, Plant & Equipment**

All Property, Plant & Equipment are recorded at cost including taxes, duties, freight and other incidental expenses incurred in relation to their acquisition and bringing the asset to its intended use.

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH**

**(ii) Intangible Assets**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

**2.04 DEPRECIATION / AMORTISATION**

Depreciation on fixed assets is calculated on a Written - Down value method using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013. Individual assets cost of which doesn't exceed Rs. 5,000/- each are depreciated in full in the year of purchase.

Intangible assets including internally developed intangible assets are amortised over the year for which the company expects the benefits to accrue. Intangible assets are amortized on straight line method basis over 10 years in pursuance of provisions of AS-26.

**2.05 INVENTORIES**

Inventories comprises of Raw Material and Finished Goods.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**2.06 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 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.

**2.07 INVESTMENTS:**

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis. Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment. Cost of investments sold is arrived using average method.

**2.08 FOREIGN CURRENCY TRANSLATIONS**

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognized in Profit & Loss Account in the year in which it arises.

**2.09 BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

**2.10 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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.



**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH**

**2.11 REVENUE RECOGNITION**

Revenue is Recognised only when significant risk and rewards of ownership has been transferred to the buyer and it can be reliably measured and its reasonable to expect ultimate collection of it. Gross sales are of net trade discount, rebates, sales taxes and excise duties. Revenue from services is recognized, when services have been performed as per terms of contract, amount can be measured and there is no significant uncertainty as to collection.

The Company adopts accrual concepts in preparation of accounts. Claims /Refunds not ascertainable with reasonable certainty are accounted for ,on final settlement.

**2.12 OTHER INCOME**

Interest Income on fixed deposit is recognized on time proportion basis. Other Income is accounted for when right to receive such income is established.

**2.13 TAXES ON INCOME**

Income taxes are accounted for in accordance with Accounting Standard (AS-22) – “Accounting for taxes on income”, notified under Companies (Accounting Standard) Rules, 2014. Income tax comprises of both current and deferred tax.

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.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

**2.14 CASH AND BANK BALANCES**

Cash and cash equivalents comprises Cash-in-hand, Current Accounts, Fixed Deposits 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. Other Bank Balances are short-term balance ( with original maturity is more than three months but less than twelve months).

**2.15 EARNINGS 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 year. 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.

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**ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH**

**2.16 EMPLOYEE BENEFITS**

**Defined Contribution Plan:**

Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss.

**Defined Benefit Plan:**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service without any monetary limit. Vesting occurs upon completion of five years of service. Provision for gratuity has been made in the books as per actuarial valuation done as at the end of the year.

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**2.17 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”.

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH**

**3. NOTES ON RECONCILIATION OF RESTATED PROFITS**

(₹ in Lakhs)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Net Profit/(Loss) after Tax as per Audited Profit &amp; Loss Account</b>	<b>383.00</b>	<b>323.59</b>	<b>161.64</b>	<b>143.42</b>
<b>Adjustments for:</b>				
Income tax late fees	-	(0.12)	-	(0.02)
Prior period items	(80.64)	-	-	-
Depreciation and Amortization expense	-	(1.82)	(6.47)	(3.44)
Profit on sale of fixed asset	-	-	-	(0.10)
Interest on late payment of taxes	-	(9.00)	(4.11)	(2.14)
Interest on leasehold land	-	(22.83)	(34.78)	(17.56)
Gratuity expense	-	26.70	(4.60)	(0.35)
Income tax expense	8.60	6.65	12.41	1.80
Deferred tax expense	(2.69)	5.68	1.49	19.62
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>308.27</b>	<b>328.85</b>	<b>125.58</b>	<b>141.23</b>

**Explanatory notes to the above restatements to profits made in the audited Financial Statements of the Company for the respective years:**

- a. Depreciation and Amortization Expense:** The Company has inappropriately calculated depreciation using WDV method and due to reclassification of asset , change in useful life as per Schedule II of Companies Act, 2013 which has now been restated.
- b. Gratuity Expense:** The company had inaccurately booked gratuity expense which is now been booked as per AS-15 and restated accordingly.
- c. Interest on leasehold land :** The Company has not booked Borrowing cost expense for leasehold land acquired , and same were capitalised in ealrier years , hence the same has now been restated in respective years .
- d. Interest and late fees on payment of taxes :** The company has not provided with interest , late fees charges against payment of income tax , TDS and , GST . Hence ,such expense has been restated
- e. Income Tax Expense:** The Company has inappropriately calculated income tax liability which has now been restated for restatement adjustment as above and provided for using tax rates related to the respective financial year as per Statement of tax shelters.
- f. Deferred Tax:** The Company has incorrectly calculated the deferred tax impact which has now been restated as per enacted rates.
- g. Gratuity:** The Company has not recognised gratuity liability as per AS-15 which has now been provided for and restated.
- h. Profit on sale of fixed asset :** Due to restatement in depreciation and retrospective change in useful life as per Schedule II of Companies Act, 2013
- i. Prior period adjustments :** All adjustments prior to Financial year 2023-24 presented above are incorporated in Interim period ended September 30, 2023.

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH**

**4. NOTES ON RECONCILIATION OF RESTATED NET-WORTH**

(₹ in Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Networth as audited (a)</b>	<b>1,557.31</b>	<b>1,140.31</b>	<b>816.72</b>	<b>685.08</b>
<b>Adjustments for:</b>				
<b>Opening Balance of Adjustments</b>	<b>(35.83)</b>	<b>(41.09)</b>	<b>(35.03)</b>	<b>-</b>
Reclassification of share pending allotment to Unsecured loan	-	-	30.00	(30.00)
Prior period item	2.83	-	-	-
Investment value written off	-	-	-	(0.01)
Interest / late fees on late payment of taxes for earlier years	-	-	-	(0.82)
Deferred tax impact for earlier years	-	-	-	(1.59)
Depreciation impact for earlier years	-	-	-	(0.42)
Change in Profit/(Loss)	(74.73)	5.26	(36.06)	(2.19)
<b>Closing Balance of Adjustments (b)</b>	<b>(107.73)</b>	<b>(35.83)</b>	<b>(41.09)</b>	<b>(35.03)</b>
<b>Networth as restated (a +b)</b>	<b>1,449.58</b>	<b>1,104.48</b>	<b>775.63</b>	<b>650.05</b>

**Explanatory notes to the above restatements to networth made in the audited Financial Statements of the Company for the respective years:**

**a. Reversal of depreciation expenses :** The Company has inappropriately calculated depreciation using WDV method and useful life as per Schedule II of Companies Act, 2013 which has now been restated and debited to opening reserves for impact related to period on or before March 31, 2020

**b. Deferred Tax Credit for previous years :** Due to Change in Opening Depreciation reserve , Deferred tax impact has been been restated accordingly using enacted rates.

**c. Interest on late payment of taxes :** TDS Defaults relating to period prior to FY 20 in regards to late filing , Short deduction are recorded for as liability.

**d. Change in Profit/(Loss) :** Refer Note 3 above.

**e. Investment written off :** Investment value standing in books were written off , as such value were standing with no documentary evidence.

**f. Reclassification of share pending allotment to Unsecured loan :** Being in previous year FY 20-21

**g. Prior period adjustments :** All adjustments prior to Financial year 2020 -21 presented above are incorporated in Interim period ended September 30, 2023.

**5. ADJUSTMENTS HAVING NO IMPACT ON NETWORTH AND PROFIT:**

**a. Material Regrouping**

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

**Servokon Systems Limited**  
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**DETAILS OF SHARE CAPITAL AS RESTATED**

ANNEXURE - V  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>EQUITY SHARE CAPITAL:</b>				
<b>AUTHORISED:</b>				
Equity Shares of ₹ 10 each	100.00	100.00	100.00	100.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
Equity Shares of ₹ 10 each fully paid up	100.00	63.17	63.17	63.17
	<b>100.00</b>	<b>63.17</b>	<b>63.17</b>	<b>63.17</b>
<b>TOTAL</b>	<b>100.00</b>	<b>63.17</b>	<b>63.17</b>	<b>63.17</b>

**Reconciliation of number of shares outstanding at the end of the year:**

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Equity Shares at the beginning of the year	631,700.00	631,700.00	631,700.00	631,700.00
Add: Shares issued during the year	368,300.00	-	-	-
<b>Equity Shares at the end of the year</b>	<b>1,000,000.00</b>	<b>631,700.00</b>	<b>631,700.00</b>	<b>631,700.00</b>

**Note:**

- 1) Terms/Rights attached to Equity Shares: The company has only one class of Equity Shares having a par value of ₹ 10/- per share. Each holder of Equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity share 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 Share holders.
- 2) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.
- 3) Every member of the company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the company.

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

Name of Shareholders	As at September 30,2023	
	No. of Shares	% of Holding
<b>Equity Share Holders</b>		
Mr. Kamruddin	420,500.00	42.05%
Mrs Fatima Begum	210,100.00	21.01%
Mr Zakir Hussain	109,100.00	10.91%
Asif Khan	90,000.00	9.00%
Mohd. Akram	85,000.00	8.50%
Mohd. Amaan	85,000.00	8.50%
<b>TOTAL</b>	<b>999,700.00</b>	<b>99.97%</b>

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

Name of Shareholders	As at March 31,2023	
	No. of Shares Held	% of Holding
<b>Equity Share Holders</b>		
Mr. Kamruddin	420,100.00	66.50%
Mrs Fatima Begum	210,100.00	33.26%
<b>TOTAL</b>	<b>630,200.00</b>	<b>99.76%</b>

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

Name of Shareholders	As at March 31,2022	
	No. of Shares Held	% of Holding
<b>Equity Share Holders</b>		
Mr. Kamruddin	420,100.00	66.50%
Mrs Fatima Begum	210,100.00	33.26%
<b>TOTAL</b>	<b>630,200.00</b>	<b>99.76%</b>

**Details of Shareholders holding more than 5% of the aggregate shares of the company:**

Name of Shareholders	As at March 31,2021	
	No. of Shares Held	% of Holding
<b>Equity Share Holders</b>		
Mr. Kamruddin	420,100.00	66.50%
Mrs Fatima Begum	210,100.00	33.26%
<b>TOTAL</b>	<b>630,200.00</b>	<b>99.76%</b>

**Details of equity shares held by promoters:**

Name of Promoter	As at September 30,2023		% Change during the year
	No. of Shares Held	% of Holding	
Mr. Kamruddin	420,500.00	42.05%	-24.45%
Mrs Fatima Begum	210,100.00	21.01%	-12.25%
Mr Zakir Hussain	109,100.00	10.91%	10.89%
Asif Khan	90,000.00	9.00%	8.83%
Mohd. Akram	85,000.00	8.50%	8.50%
<b>TOTAL</b>	<b>914,700.00</b>	<b>91.47%</b>	<b>-8.48%</b>

**Details of equity shares held by promoters:**

Name of Promoter	As at March 31,2023		% Change during the year
	No. of Shares Held	% of Holding	
Mr. Kamruddin	420,100.00	66.50%	0.00%
Mrs Fatima Begum	210,100.00	33.26%	0.00%
<b>TOTAL</b>	<b>630,200.00</b>	<b>99.76%</b>	<b>0.00%</b>

**Details of equity shares held by promoters:**

Name of Promoter	As at March 31,2022		% Change during the year
	No. of Shares Held	% of Holding	
Mr. Kamruddin	420,100.00	66.50%	0.00%
Mrs Fatima Begum	210,100.00	33.26%	0.00%
<b>TOTAL</b>	<b>630,200.00</b>	<b>99.76%</b>	<b>0.00%</b>

**Details of equity shares held by promoters:**

Name of Promoter	As at March 31,2021		% Change during the year
	No. of Shares Held	% of Holding	
Mr. Kamruddin	420,100.00	66.50%	0.00%
Mrs Fatima Begum	210,100.00	33.26%	0.00%
<b>TOTAL</b>	<b>630,200.00</b>	<b>99.76%</b>	<b>0.00%</b>

**Servokon Systems Limited**  
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**DETAILS OF RESERVE & SURPLUS AS RESTATED**

ANNEXURE - VI  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Surplus balance in profit &amp; loss :</b>				
Opening Balance	1,041.31	712.46	586.88	448.48
Less: Previous year Deferred tax expense	-	-	-	(1.59)
Less: Investment balance written off	-	-	-	(0.01)
Less: Previous year Depreciation expense	-	-	-	(0.41)
Less: Interest /late fees expenses for earlier years	-	-	-	(0.82)
Add : Net profit / (Loss) after Tax for the year	308.27	328.85	125.58	141.23
<b>TOTAL</b>	<b>1,349.58</b>	<b>1,041.31</b>	<b>712.46</b>	<b>586.88</b>

**DETAILS OF LONG TERM BORROWINGS AS RESTATED**

ANNEXURE - VII  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>				
<i>From Banks</i>				
- Term Loan	1,420.43	1,123.84	969.98	1,025.66
- Emergency credit line facility	-	40.31	129.84	301.21
- Vehicle Loan	76.92	89.86	146.55	95.31
<i>Loan from Related parties</i>				
- Directors*	26.00	29.90	39.41	29.54
<b>TOTAL</b>	<b>1,523.35</b>	<b>1,283.90</b>	<b>1,285.78</b>	<b>1,451.71</b>

(Refer Annexure for terms of security, repayment and other relevant details)

\*Loan from Directors are interest-free and shall be repayable after 12 months from the reporting date.

**DETAILS OF DEFERRED TAX ASSETS (NET) AS RESTATED**

ANNEXURE - VIII  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Assets arising on account of:</b>				
-Difference of WDV as per Companies Act, 2013 and Income Tax Act, 1961	17.73	22.72	30.09	27.36
-Expenses disallowed under Income Tax Act, 1961	(28.98)	(26.10)	(21.41)	(18.17)
<b>TOTAL</b>	<b>(11.25)</b>	<b>(3.38)</b>	<b>8.68</b>	<b>9.19</b>

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**DETAILS OF LONG TERM PROVISIONS AS RESTATED**

ANNEXURE - IX  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for Gratuity	76.67	68.37	52.53	59.96
<b>TOTAL</b>	<b>76.67</b>	<b>68.37</b>	<b>52.53</b>	<b>59.96</b>

**DETAILS OF SHORT TERM BORROWINGS AS RESTATED**

ANNEXURE - X  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>				
From Banks				
- Overdraft facility	1,159.58	1,131.89	637.77	367.65
- Drop line Overdraft facility	296.79	304.03	-	222.49
Current maturities of long-term debt	294.73	258.99	199.10	102.47
<b>TOTAL</b>	<b>1,751.10</b>	<b>1,694.90</b>	<b>836.86</b>	<b>692.61</b>
<i>(Refer Annexure for terms of security, repayment and other relevant details)</i>				

**DETAILS OF TRADE PAYABLES AS RESTATED**

ANNEXURE - XI  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Due to Micro, Small and Medium Enterprises	-	-	-	-
Due to Others	2,353.06	1,795.00	1,937.33	1,988.41
<b>TOTAL</b>	<b>2,353.06</b>	<b>1,795.00</b>	<b>1,937.33</b>	<b>1,988.41</b>

*(Refer Annexure - XXXII for ageing)*



**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**DETAILS OF OTHER CURRENT LIAIBILITES AS RESTATED**

**ANNEXURE - XII**  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Audit Fees Payable	2.25	2.55	2.25	2.50
Electricity Expenses Payable	3.47	5.05	-	3.46
Telephone Expenses Payable	-	0.31	0.04	0.10
Statutory Dues Payable (TDS, GST ,EPF, ESIC & TCS)	36.59	81.24	56.22	19.23
Rent expense payable	0.60	-	-	-
Salary & Wages Payable	70.30	67.39	30.80	20.35
Directors remuneration payable	6.70	23.90	12.31	12.37
Staff Imprest	28.10	59.12	39.61	6.95
Advance from customers	1,109.64	813.61	392.90	145.97
				-
<b>TOTAL</b>	<b>1,257.66</b>	<b>1,053.17</b>	<b>534.13</b>	<b>210.93</b>

**DETAILS OF SHORT TERM PROVISIONS AS RESTATED**

**ANNEXURE - XIII**  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Provision for Taxation (Net of Advance Tax, TDS and TCS)	66.88	39.12	-	15.98
Provision for Gratuity	27.51	25.43	24.42	5.35
<b>TOTAL</b>	<b>94.39</b>	<b>64.55</b>	<b>24.42</b>	<b>21.33</b>

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**DETAILS OF NON CURRENT INVESTMENTS AS RESTATED**

ANNEXURE - XV  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b><u>Quoted, Traded (At Cost)</u></b>				
<b><u>A. Investment in Equity Instruments</u></b>				
4000 Shares of Vijaya Bank (Bank of baroda) at Rs.10 /- each	0.40	0.40	0.40	0.40
<b>TOTAL</b>	<b>0.40</b>	<b>0.40</b>	<b>0.40</b>	<b>0.40</b>
Aggregate value of quoted investments	-	-	-	-
Aggregate market value of quoted investments	8.56	6.75	4.64	2.97
Aggregate carrying value of unquoted investments	-	-	-	-
Aggregate provision for diminution in value of investments	-	-	-	-

**DETAILS OF LONG-TERM LOANS & ADVANCES AS RESTATED**

ANNEXURE - XVI  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Capital Advances against property	1,188.56	848.52	391.43	262.61
Advance Tax, TDS and TCS (Net of Provisions for Tax)	-	-	7.59	-
<b>TOTAL</b>	<b>1,188.56</b>	<b>848.52</b>	<b>399.02</b>	<b>262.61</b>

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**DETAILS OF OTHER NON CURRENT ASSETS AS RESTATED**

**ANNEXURE - XVII**  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Security Deposits	8.76	18.28	17.82	17.27
<b>TOTAL</b>	<b>8.76</b>	<b>18.28</b>	<b>17.82</b>	<b>17.27</b>

**DETAILS OF INVENTORIES AS RESTATED**

**ANNEXURE - XVIII**  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Inventories consist of</b>				
Raw Material	1,432.28	949.58	1,366.52	522.40
Work-in- Progress	66.90	37.58	33.13	22.95
Finished Goods	2,187.72	2,044.82	1,247.99	2,062.36
<b>TOTAL</b>	<b>3,686.90</b>	<b>3,031.98</b>	<b>2,647.64</b>	<b>2,607.71</b>

**DETAILS OF TRADE RECEIVABLES AS RESTATED**

**ANNEXURE - XIX**  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good</b>				
Trade Receivable More than Six Months	688.49	512.18	422.52	401.01
Trade Receivable Less than Six Months	1,429.18	1,201.52	652.38	728.49
<b>TOTAL</b>	<b>2,117.67</b>	<b>1,713.70</b>	<b>1,074.90</b>	<b>1,129.50</b>

(Refer Annexure - XXXIII for ageing)

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**DETAILS OF CASH & BANK BALANCE AS RESTATED**

**ANNEXURE - XX**  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b><u>a. Cash and Cash Equivalents</u></b>				
Cash-in-Hand	7.61	2.95	19.95	25.99
Bank Balance	19.17	35.39	35.16	40.83
Fixed Deposits (having original maturity of less than 3 months)	-	-	-	-
<b><u>b. Other Bank Balances with Scheduled Bank</u></b>				
Fixed Deposit with bank (*having original maturity of more than 3 months and remaining maturity of more than 12 months including given as collateral)	249.03	192.95	168.18	156.66
<b>TOTAL</b>	<b>275.81</b>	<b>231.29</b>	<b>223.29</b>	<b>223.47</b>

**DETAILS OF SHORT TERM LOAN AND ADVANCES AS RESTATED**

**ANNEXURE - XXI**  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Balance with Government Authorities	35.71	44.67	35.59	6.21
Staff advance	13.18	20.54	-	0.51
Advances to related party	-	-	-	-
Prepaid expenses	54.99	84.96	93.76	48.36
Vendor advances	110.43	31.23	9.36	10.36
<b>TOTAL</b>	<b>214.31</b>	<b>181.40</b>	<b>138.71</b>	<b>65.44</b>

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

ANNEXURE - XXII  
(₹ In Lakhs)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Goods	6,505.43	12,218.60	8,600.70	5,312.93
Sales of services	26.37	44.41	58.48	19.57
	-	-	-	-
<b>TOTAL</b>	<b>6,531.80</b>	<b>12,263.01</b>	<b>8,659.18</b>	<b>5,332.50</b>

**DETAILS OF OTHER INCOME AS RESTATED**

ANNEXURE - XXIII  
(₹ In Lakhs)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on fixed deposit	9.99	9.56	7.77	7.84
Rent received on property	26.02	52.32	55.24	47.28
Hiring charges on plant & Machinery	1.29	1.14	2.28	2.28
Freight charges received	12.03	11.32	17.08	7.63
Installation Services	-	22.85	1.54	-
Duty Draw back Income	2.49	9.67	1.71	0.64
Miscellaneous income	-	1.87	0.17	4.70
Gain on sale of equity shares	-	0.03	-	-
Profit on sale of fixed asset	-	-	0.70	1.70
Packing & Forwarding Income	0.14	0.33	-	-
<b>TOTAL</b>	<b>51.96</b>	<b>109.09</b>	<b>86.49</b>	<b>72.07</b>

**DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED**

ANNEXURE - XXIV  
(₹ In Lakhs)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock of Raw material & Stores and spares	949.58	1,366.52	522.40	806.64
Add: Purchase During the year	5,494.01	9,751.39	7,059.19	4,676.19
Less : Closing Stock of Raw material Raw material & Stores and spares	(1,432.29)	(949.58)	(1,366.52)	(522.40)
	-	-	-	-
<b>TOTAL</b>	<b>5,011.30</b>	<b>10,168.33</b>	<b>6,215.07</b>	<b>4,960.43</b>

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**DETAILS OF DIRECT EXPENSES AS RESTATED**

ANNEXURE - XXV  
(₹ In Lakhs)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Power and fuel expense	29.11	57.58	38.04	22.05
Freight & shipment charges	68.20	0.53	0.85	4.32
Manufacturing expense	-	0.10	9.02	3.15
Custom Duty charges	0.22	15.63	2.90	23.84
Consumption of stores and spares	1.33	4.10	0.99	0.17
Testing expense	4.46	20.01	8.05	3.08
Labour Charges	-	0.78	3.29	-
Packing Material	38.19	104.49	49.95	33.10
Wages	191.35	330.13	127.43	54.70
Installation expense	9.33	-	-	-
<b>TOTAL</b>	<b>342.19</b>	<b>533.35</b>	<b>240.52</b>	<b>144.41</b>

**DETAILS OF CHANGES IN INVENTORIES OF WORK IN PROGRESS ,FINISHED GOODS & STOCK-IN-TRADE AS RESTATED**

ANNEXURE - XXVI  
(₹ In Lakhs)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Work in Progress</b>				
Opening Stock	37.58	33.13	22.95	26.14
Less: Closing Stock	(66.90)	(37.58)	(33.13)	(22.95)
<b>Finished Goods</b>				
Opening Stock	2,044.84	1,247.97	2,062.36	1,319.25
Less: Closing Stock	(2,187.71)	(2,044.84)	(1,247.97)	(2,062.36)
<b>TOTAL</b>	<b>(172.19)</b>	<b>(801.32)</b>	<b>804.21</b>	<b>(739.92)</b>

**DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED**

ANNEXURE - XXVII  
(₹ In Lakhs)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Salary to Staff	221.12	342.07	235.34	186.21
Employer's Contribution to PF & ESIC	29.90	47.66	31.60	29.06
Gratuity expense	10.38	16.86	12.27	8.64
Director's Remuneration	42.08	80.40	75.00	72.05
Staff Welfare expense	4.56	3.90	4.09	2.77
<b>TOTAL</b>	<b>308.04</b>	<b>490.89</b>	<b>358.30</b>	<b>298.73</b>

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**DETAILS OF FINANCE COST AS RESTATED**

ANNEXURE - XXVIII  
(₹ In Lakhs)

Particulars	For the Period ended September 30 ,	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Bank Charges	8.67	16.42	7.44	1.99
Interest on leasehold property	8.78	22.83	34.78	17.56
Interest on Borrowings	158.92	215.17	190.82	177.83
Interest on late payment of TDS & Income tax	7.51	10.03	4.38	2.15
<b>TOTAL</b>	<b>183.88</b>	<b>264.45</b>	<b>237.42</b>	<b>199.53</b>

**DETAILS OF DEPRECIATION AND AMORTIZATION EXPESNES AS RESTATED**

ANNEXURE - XXIX  
(₹ In Lakhs)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation and Amortization expense	74.01	169.70	93.06	56.77
<b>TOTAL</b>	<b>74.01</b>	<b>169.70</b>	<b>93.06</b>	<b>56.77</b>

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**DETAILS OF OTHER EXPENSES AS RESTATED**

ANNEXURE - XXX  
(₹ In Lakhs)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Auditor's Remuneration	2.25	0.30	0.75	0.75
Rent expense	0.60	2.53	3.51	5.41
Statutory Demand expense	1.57	24.95	10.13	4.71
Advertisement expense	208.95	559.31	248.47	121.13
Business Promotion expense	2.15	103.17	4.31	2.60
Bad debts written off	-	-	-	13.52
Conveyance expense	0.14	0.35	0.90	0.41
Commission expense	37.80	44.56	36.26	6.56
Compensation Charges	-	-	-	2.88
Donation	-	0.10	0.31	0.50
Fuel Charges	0.36	4.20	-	3.21
Designing Charges	-	-	-	0.10
Electricity expense	1.36	5.04	2.70	2.23
Freight & Cartage	-	75.79	74.22	36.13
Filing Fees	-	0.20	-	0.65
Festival expense	1.85	1.73	-	-
Insurance expense	11.98	10.11	13.64	3.03
Keymen Insurance Charges	-	2.56	8.73	6.23
Legal & Professional Charges	21.36	16.17	22.36	9.20
Miscellaneous expenses	-	0.42	0.11	0.21
Membership & Subscription	-	3.86	0.80	0.54
Office expense	3.89	4.90	9.04	7.23
Printing & Stationery	2.90	15.99	3.44	0.93
Postage & Telegram expense	0.86	2.36	5.23	3.43
Rates & taxes	-	1.41	4.26	-
Repair & Maintenance	34.64	11.64	29.57	19.32
Rebate & Discount	2.68	0.66	8.17	18.38
Service Charges Paid	0.80	21.77	5.74	14.32
Software expense	10.36	3.15	6.38	2.22
Security expense	5.25	9.53	2.56	0.23
Tempo expense	4.05	39.78	18.23	4.22
Telephone expense	-	10.15	7.77	4.16
Tender Fees	1.57	6.19	0.86	0.34
Travelling expense	55.80	107.74	64.13	15.47
Warranty Charges	-	0.01	-	-
Inspection charges	0.71	2.54	33.15	1.13
<b>TOTAL</b>	<b>413.88</b>	<b>1,093.17</b>	<b>625.73</b>	<b>311.38</b>



**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

DETAILS OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS RESTATED

ANNEXURE- XIV  
(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2023	ADDITIONS	DEDUCTIONS	AS AT 30.09.2023	UPTO 01.04.2023	FOR THE YEAR	DEDUCTIONS	UPTO 30.09.2023	AS AT 30.09.2023	AS AT 31.03.2023
<b>Property, Plant &amp; Equipment</b>										
<b><u>Tangible Assets</u></b>										
Land	281.17	-	-	281.17	-	-	-	-	281.17	281.17
Building	351.28	-	-	351.28	98.88	6.16	-	105.04	246.24	252.40
Motor vehicle	22.19	0.86	-	23.05	14.48	1.05	-	15.53	7.52	7.71
Network Equipments	0.40	-	-	0.40	0.38	-	-	0.38	0.02	0.02
Office equipment	70.00	12.07	-	82.07	42.30	7.71	-	50.01	32.06	27.70
Furniture & Fixtures	4.69	-	-	4.69	1.94	0.35	-	2.29	2.40	2.75
Motor car	415.47	14.90	-	430.37	249.73	26.47	-	276.20	154.17	165.74
Computers	23.25	2.14	-	25.39	17.63	1.87	-	19.50	5.89	5.62
Plant & Machinery	165.72	10.06	-	175.78	39.31	11.99	-	51.30	124.48	126.41
UDIN - 24073473BKCZVS7816	150.22	-	-	150.22	30.81	5.69	-	36.50	113.72	119.41
Temporary structures	56.96	-	-	56.96	33.51	7.42	-	40.93	16.03	23.45
<b><u>Intangible Assets</u></b>										
Date : 22-01-2024	50.85	0.67	-	51.52	27.80	5.27	-	33.07	18.45	23.05
<b>Total</b>	<b>1,592.20</b>	<b>40.70</b>	<b>-</b>	<b>1,632.90</b>	<b>556.77</b>	<b>73.98</b>	<b>-</b>	<b>630.75</b>	<b>1,002.15</b>	<b>1,035.43</b>

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2022	ADDITIONS	DEDUCTIONS	AS AT 31.03.2023	UPTO 01.04.2022	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2023	AS AT 31.03.2023	AS AT 31.03.2022
<b>Property, Plant &amp; Equipment</b>										
<b><u>Tangible Assets</u></b>										
Land	281.17	-	-	281.17	-	-	-	-	281.17	281.17
Building	315.99	35.29	-	351.28	87.75	11.13	-	98.88	252.40	228.24
Motor vehicle	18.12	4.07	-	22.19	12.48	2.00	-	14.48	7.71	5.64
Network Equipments	0.40	-	-	0.40	0.37	0.01	-	0.38	0.02	0.03
Office equipment	50.41	19.59	-	70.00	30.14	12.16	-	42.30	27.70	20.27
Furniture & Fixtures	4.12	0.57	-	4.69	1.10	0.84	-	1.94	2.75	3.02
Motor car	381.95	33.52	-	415.47	186.58	63.15	-	249.73	165.74	195.37
Computers	16.99	6.26	-	23.25	14.60	3.03	-	17.63	5.62	2.39
Plant & Machinery	70.50	95.22	-	165.72	26.81	12.50	-	39.31	126.41	43.69
UDIN - 24073473BKCZVS7816	150.22	-	-	150.22	18.27	12.54	-	30.81	119.41	131.95
Temporary structures	-	56.96	-	56.96	-	33.51	-	33.51	23.45	-
<b><u>Intangible Assets</u></b>										
Date : 22-01-2024	50.76	0.09	-	50.85	8.95	18.85	-	27.80	23.05	41.81
<b>Total</b>	<b>1,340.63</b>	<b>251.57</b>	<b>-</b>	<b>1,592.20</b>	<b>387.05</b>	<b>169.72</b>	<b>-</b>	<b>556.77</b>	<b>1,035.43</b>	<b>953.58</b>

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

DETAILS OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS RESTATED

ANNEXURE- XIV  
(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2021	ADDITIONS	DEDUCTIONS	AS AT 31.03.2022	UPTO 01.04.2021	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2022	AS AT 31.03.2022	AS AT 31.03.2021
<b>Property, Plant &amp; Equipment</b>										
<b><u>Tangible Assets</u></b>										
Land	281.17	-	-	281.17	-	-	-	-	281.17	281.17
Building	261.34	54.65	-	315.99	78.72	9.03	-	87.75	228.24	182.62
Motor vehicle	17.25	0.87	-	18.12	10.74	1.74	-	12.48	5.64	6.51
Network Equipments	0.40	-	-	0.40	0.36	0.01	-	0.37	0.03	0.04
Office equipment	32.52	17.89	-	50.41	23.20	6.94	-	30.14	20.27	9.32
Furniture & Fixtures	0.81	3.31	-	4.12	0.59	0.51	-	1.10	3.02	0.22
Motor car	309.16	108.98	36.19	381.95	174.37	46.59	34.38	186.58	195.37	134.79
Computers	14.92	2.07	-	16.99	13.12	1.48	-	14.60	2.39	1.80
Plant & Machinery	38.37	32.13	-	70.50	22.85	3.96	-	26.81	43.69	15.52
UDIN - 24073473BKCZVS7816	150.22	-	-	150.22	4.42	13.85	-	18.27	131.95	145.80
<b><u>Intangible Assets</u></b>										
Date : 22-01-2024	-	50.76	-	50.76	-	8.95	-	8.95	41.81	-
<b>Total</b>	<b>1,106.16</b>	<b>270.66</b>	<b>36.19</b>	<b>1,340.63</b>	<b>328.37</b>	<b>93.06</b>	<b>34.38</b>	<b>387.05</b>	<b>953.58</b>	<b>777.79</b>

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2020	ADDITIONS	DEDUCTIONS	AS AT 31.03.2021	UPTO 01.04.2020	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2021	AS AT 31.03.2021	AS AT 31.03.2020
<b>Property, Plant &amp; Equipment</b>										
<b><u>Tangible Assets</u></b>										
Land	281.17	-	-	281.17	-	-	-	-	281.17	281.17
Building	261.34	-	-	261.34	69.37	9.35	-	78.72	182.62	191.97
Motor vehicle	15.08	2.17	-	17.25	9.10	1.64	-	10.74	6.51	5.98
Network Equipments	0.40	-	-	0.40	0.35	0.01	-	0.36	0.04	0.05
Office equipment	26.01	6.51	-	32.52	19.45	3.75	-	23.20	9.32	6.56
Furniture & Fixtures	0.81	-	-	0.81	0.51	0.08	-	0.59	0.22	0.30
Motor car	189.04	135.60	15.48	309.16	155.84	32.55	14.02	174.37	134.79	33.20
Computers	14.23	0.69	-	14.92	11.57	1.55	-	13.12	1.80	2.66
Plant & Machinery	38.37	-	-	38.37	19.42	3.43	-	22.85	15.52	18.95
Guest House	-	150.22	-	150.22	-	4.42	-	4.42	145.80	-
<b><u>Intangible Assets</u></b>										
Software	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>826.45</b>	<b>295.19</b>	<b>15.48</b>	<b>1,106.16</b>	<b>285.61</b>	<b>56.78</b>	<b>14.02</b>	<b>328.37</b>	<b>777.79</b>	<b>540.84</b>

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**DETAILS OF OTHER INCOME AS RESTATED**

**ANNEXURE -**

**XXXI**

(₹ In Lakhs)

Particulars	For the Period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021	Nature
Other Income	51.96	109.09	86.49	72.07	
Net Profit Before Tax as Restated	422.65	453.53	171.36	173.24	
<b>Percentage</b>	<b>12.29%</b>	<b>24.05%</b>	<b>50.47%</b>	<b>41.60%</b>	

**Source of Income**

Interest on fixed deposit	9.99	9.56	7.77	7.84	Recurring and not related to Business Activity
Rent received on property	26.02	52.32	55.24	47.28	Recurring and not related to Business Activity
Hiring charges on plant & Machinery	1.29	1.14	2.28	2.28	Non-Recurring and not related to Business Activity
Freight charges received	12.03	11.32	17.08	7.63	Recurring and related to Business Activity
Installation Services	-	22.85	1.54	-	Recurring and related to Business Activity
Duty Draw back Income	2.49	9.67	1.71	0.64	Recurring and related to Business Activity
Miscellaneous income	-	1.87	0.17	4.70	Non-Recurring and not related to Business Activity
Gain on sale of equity shares	-	0.03	-	-	Non-Recurring and not related to Business Activity
Profit on sale of fixed asset	-	-	0.70	1.70	Non-Recurring and not related to Business Activity
Packing & Forwarding Income	0.14	0.33	-	-	Recurring and related to Business Activity
<b>Total Other income</b>	<b>51.96</b>	<b>109.09</b>	<b>86.49</b>	<b>72.07</b>	

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**ANNEXURE FOR TERMS OF BORROWINGS AS RESTATED:**

Name of Lender	Nature of security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Instalments	Instalment (₹)	Outstanding as on September 30, 2023 (₹ In Lakhs)	Outstanding as on March 31, 2023 (₹ In Lakhs)	Outstanding as on March 31, 2022 (₹ In lakhs)	Outstanding as on March 31, 2021 (₹ In lakhs)
Axis Bank Limited	Vehicle Loan	Repayable in 60 Equated monthly installments	50.05	8.25% p.a.	60	23	101,382	20.42	25.53	35.15	44.02
HDFC bank limited*	Vehicle Loan	Repayable in 47 Equated monthly installments	7.55	8.67% p.a.	47	12	19,000	2.18	3.20	5.11	6.86
HDFC bank limited	Vehicle Loan	Repayable in 60 Equated monthly installments	55.00	8.67% p.a.	60	22	113,664	23.01	28.67	39.32	48.98
HDFC bank limited	Vehicle Loan	Repayable in 36 Equated monthly installments	10.14	8.67% p.a.	36	-	32,075	-	-	-	0.63
HDFC bank limited*	Vehicle Loan	Repayable in 47 Equated monthly installments	18.75	8.67% p.a.	47	12	47,186	5.41	7.94	12.69	17.04
HDFC bank limited	Vehicle Loan	Repayable in 36 Equated monthly installments	5.64	9.02% p.a.	36	-	17,940	-	-	-	0.35
ICICI Bank Limited	Such Overdraft facility is secured by way of hypothecation of company's entire stock book debts both present and future Equitable mortgage of Property situated at 1. plot No. A -6 situated at industrial estate M G road, District , District Hapur , Uttar pradesh - 201015 2. Plot no.111 , block Sector A , 108 . noida gautam buddha nagar - 201304	Repayable in 12 Equated monthly installments	500.00	9.10 % p.a. i.e. Repo rate + 2.85 % Spread	12	NA	Lumsump	389.40	433.70	224.11	-
ICICI Bank Limited	Vehicle Loan	Repayable in 36 Equated monthly installments	5.86	8.00 % p.a.	36	1	18,325	0.18	1.25	3.26	4.93
Kotak Mahindra Bank Limited*	Such Term loan facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar , Uttar pradesh - 201301	Repayable in 144 Equated monthly installments	50.00	7.15% p.a. i.e. repo rate + 3.15 % Spread	144	124	58,442	44.69	46.01	47.94	-
Kotak Mahindra Bank Limited	Such Term loan facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar , Uttar pradesh - 201301	Repayable in 78 Equated monthly installments	145.00	7.15% p.a. i.e. Repo Rate + 3.15% Spread.	78	53	232,973	110.46	120.12	139.94	-
Kotak Mahindra Bank Limited	Such Term loan facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar , Uttar pradesh - 201301	Repayable in 120 Equated monthly installments	255.00	9.50% p.a. i.e. Repo Rate + 3.15% Spread.	120	90	298,052	208.43	216.04	227.51	-
Kotak Mahindra Bank Limited	Such Term loan facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar , Uttar pradesh - 201301	Repayable in 120 Equated monthly installments	200.00	8.95% p.a.	120	-	252,811	-	-	-	138.31

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**ANNEXURE FOR TERMS OF BORROWINGS AS RESTATED:**

Name of Lender	Nature of security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Instalments	Instalment (₹)	Outstanding as on September 30, 2023 (₹ In Lakhs)	Outstanding as on March 31, 2023 (₹ In Lakhs)	Outstanding as on March 31, 2022 (₹ In lakhs)	Outstanding as on March 31, 2021 (₹ In lakhs)
Axis Bank Limited	Vehicle Loan	Repayable in 60 Equated monthly installments	50.05	8.25% p.a.	60	23	101,382	20.42	25.53	35.15	44.02
Kotak Mahindra Bank Limited	Such Emergncy Credit Line facility is secured by Equitable mortgage of Relative Property situated at 217/C-13 , Rect No.60 , Killa No.27 V3s mall laxmi nagar	Repayable in 60 Equated monthly installments	34.00	8.00% p.a.	60	-	106,544	-	-	-	34.00
Axis Bank Limited	Vehicle loan	Repayable in 36 Equated monthly installments	31.95	8.15 % p.a.	36	15	100,341	14.21	19.53	29.53	-
Axis Bank Limited	Vehicle Loan	Repayable in 60 Equated monthly installments	17.50	8.35 % p.a.	60	41	35,778	12.64	14.22	17.19	-
Axis Bank Limited	Vehicle Loan	Repayable in 60 Equated monthly installments	16.68	8.75 % p.a.	60	51	34,423	14.57	15.96	-	-
Deutsche bank limited*	Unsecured	Repayable in 49 Equated monthly installments	257.35	8.10 % p.a.	49	10	807,630	85.22	129.40	212.03	257.35
Deutsche bank limited*	Such Term loan facility is secured by 1. Equitable mortgage of Property in name of Directors Relative situated at B -150 , priyadarhsani vihar , new delhi - 110092.	Repayable in 180 Equated monthly installments	570.00	9.00 p.a.%	180	116	578,132	476.46	488.35	515.16	544.66
Deutsche bank limited	Such Overdraft , Letter of Credit and Bank guarantee facility is secured by 1. Equitable mortgage of Property in name of Directors Relative situated at B -150 , priyadarhsani vihar , new delhi - 110092. and 2. Fixed deposit @10 % margin against and Letter of credit and Bank guarantee	Repayable in 12 Equated monthly installments	1,000.00	MBOR + 2.65% p.a	12	NA	Lumsump	770.19	698.19	413.66	367.65
HDFC bank limited*	Vehicle Loan	Repayable in 48 Equated monthly installments	16.74	8.00 % p.a.	48	40	41,600	14.35	16.15	-	-
HDFC bank limited	Such Home Loan Facility is secured against Property situated at Falt no.503 , tower catania , mahagun mezzaria , GHA01A , Sector 78 , Noida , Uttar pradesh - 201301	Repayable in 240 Equated monthly installments	100.00	8.80 % to 10.10% p.a	240	195	87,392	90.86	91.49	93.41	96.99

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**ANNEXURE FOR TERMS OF BORROWINGS AS RESTATED:**

Name of Lender	Nature of security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Instalments	Instalment (₹)	Outstanding as on September 30, 2023 (₹ In Lakhs)	Outstanding as on March 31, 2023 (₹ In Lakhs)	Outstanding as on March 31, 2022 (₹ In lakhs)	Outstanding as on March 31, 2021 (₹ In lakhs)
Axis Bank Limited	Vehicle Loan	Repayable in 60 Equated monthly installments	50.05	8.25% p.a.	60	23	101,382	20.42	25.53	35.15	44.02
ICICI Bank Limited*	Such Dropline Overdraft is secured by way of hypothecation of compnay's entire stock book debts both present and future Equitable mortgage of Property situated at 1. plot No. A -6 situated at industrial estate M G road, District , District Hapur , Uttar pradesh - 201015 2. Plot no.111 , block Sector A , 108 . noida gautam buddha nagar - 201304	Repayable in 84 Equated monthly installments	465.00	9.10 % p.a. i.e. Repo rate + 2.85 % Spread	84	NA	Lumsump	296.79	304.03	-	-
ICICI Bank Limited	Vehicle Loan	Repayable in 60 Equated monthly installments	12.00	7.25% p.a.	60	40	23,942	8.48	9.59	11.68	-
ICICI Bank Limited	Vehicle Loan	Repayable in 47 Equated monthly installments	20.44	7.50% p.a.	47	30	50,468	13.77	16.22	20.44	-
IDFC First Bank Limited	Such Term loan Facility is secured by way of Equitable mortgage of Property situated at 1. plot No. A -6 situated at industrial estate M G road, District , District Hapur , Uttar pradesh - 201015	Repayable in 48 Equated monthly installments	41.77	9.25% p.a	48	-	133,315	-	-	-	41.77
IDFC First Bank Limited	Such Term loan Facility is secured by way of Equitable mortgage of Property situated at 1. plot No. A -6 situated at industrial estate M G road, District , District Hapur , Uttar pradesh - 201015	Repayable in 48 Equated monthly installments	42.46	9.25% p.a	48	-	135,532	-	21.52	35.10	42.46
IDFC First Bank Limited*	Such Term loan Facility is secured by way of Equitable mortgage of Property situated at 1. plot No. A -6 situated at industrial estate M G road, District , District Hapur , Uttar pradesh - 201015	Repayable in 180 Equated monthly installments	216.00	9.30% p.a.	180	-	235,430	-	-	-	197.65
Yes Bank limited*	Such Emergncy Credit Line facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar ,Uttar pradesh - 201301	Repayable in 48 Equated monthly installments	48.66	8.65% p.a.	48	-	12 months - Rs.35,076 Interest & 36 months EMI Rs . 1,53,946	-	-	-	48.65

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**ANNEXURE FOR TERMS OF BORROWINGS AS RESTATED:**

Name of Lender	Nature of security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Instalments	Instalment (₹)	Outstanding as on September 30, 2023 (₹ In Lakhs)	Outstanding as on March 31, 2023 (₹ In Lakhs)	Outstanding as on March 31, 2022 (₹ In lakhs)	Outstanding as on March 31, 2021 (₹ In lakhs)
Axis Bank Limited	Vehicle Loan	Repayable in 60 Equated monthly installments	50.05	8.25% p.a.	60	23	101,382	20.42	25.53	35.15	44.02
Yes Bank limited	Loan against property	Repayable in 180 Equated monthly installments	250.00	8.00 % p.a	180	-	238,913	-	241.80	-	-
Yes Bank limited*	Such Dropline Overdraft facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar ,Uttar pradesh - 201301	Repayable in Equal Monthly Installment of 180 Equated monthly installments	300.00	9.50% p.a. .i.e. MCLR +0.70 margin	180	-	166,667	-	-	-	222.49
Kotak Mahindra Bank Limited	Such Term loan facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar ,Uttar pradesh - 201301	Repayable in 120 Equated monthly installments	400.00	9.50% p.a. .i.e. Repo Rate + 3.00% Spread.	120	115	503,462	391.56	-	-	-
Kotak Mahindra Bank Limited*	Such Term loan facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar ,Uttar pradesh - 201301	Repayable in 120 Equated monthly installments	250.00	8.85% p.a.	120	115	314,664	244.73	-	-	-
ICICI Bank Limited	Vehicle Loan	Repayable in 36 Equated monthly installments	11.00	9.00% p.a.	36	34	34,911	10.44	-	-	-

\*Note : For above such borrowing facility , Sanction letter or repayment schedule are not available.

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

**AGEING OF TRADE PAYABLES AS RESTATED**

**ANNEXURE - XXXII**

(₹ In Lakhs)

**I. Ageing of Creditors as at September 30, 2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-
(b) Others	2,315.66	8.93	6.90	21.57	2,353.06
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
<b>Total</b>	<b>2,315.66</b>	<b>8.93</b>	<b>6.90</b>	<b>21.57</b>	<b>2,353.06</b>

**II. Ageing of Creditors as at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-
(b) Others	1,749.16	18.09	22.38	5.37	1,795.00
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,749.16</b>	<b>18.09</b>	<b>22.38</b>	<b>5.37</b>	<b>1,795.00</b>

**II. Ageing of Creditors as at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-
(b) Others	1,779.97	136.71	14.95	5.70	1,937.33
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,779.97</b>	<b>136.71</b>	<b>14.95</b>	<b>5.70</b>	<b>1,937.33</b>

**III. Ageing of Creditors as at March 31, 2021**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-
(b) Others	1,810.48	104.52	44.08	29.33	1,988.41
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
<b>Total</b>	<b>1,810.48</b>	<b>104.52</b>	<b>44.08</b>	<b>29.33</b>	<b>1,988.41</b>



**Servokon Systems Limited**  
CIN: U32301DL1995PLC068876

**AGEING OF TRADE RECEIVABLES AS RESTATED**

ANNEXURE - XXXIII  
(₹ In Lakhs)

**I. Ageing of Debtors as at September 30, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	1,429.17	183.45	210.69	69.31	225.05	2,117.67
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>1,429.17</b>	<b>183.45</b>	<b>210.69</b>	<b>69.31</b>	<b>225.05</b>	<b>2,117.67</b>

**II. Ageing of Debtors as at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	1,201.52	94.66	137.97	46.74	232.81	1,713.70
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>1,201.52</b>	<b>94.66</b>	<b>137.97</b>	<b>46.74</b>	<b>232.81</b>	<b>1,713.70</b>

**III. Ageing of Debtors as at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	652.38	70.06	80.64	114.31	157.51	1,074.90
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>652.38</b>	<b>70.06</b>	<b>80.64</b>	<b>114.31</b>	<b>157.51</b>	<b>1,074.90</b>

**I. Ageing of Debtors as at March 31, 2021**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(a) Undisputed Trade receivables - considered good	728.49	50.53	177.93	21.48	151.07	1,129.50
(b) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(c) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(d) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
<b>Total</b>	<b>728.49</b>	<b>50.53</b>	<b>177.93</b>	<b>21.48</b>	<b>151.07</b>	<b>1,129.50</b>

**Servokon Systems Limited**  
CIN: U32301DL1995PLC068876

**DISCLOSURE UNDER AS-15 AS RESTATED**

**ANNEXURE - XXXIV**

**A. DEFINED CONTRIBUTION PLAN**

Particulars	For the period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Employers' Contribution to Provident Fund and ESIC	29.90	47.66	31.60	29.06

**B. DEFINED BENEFIT OBLIGATION**

**1) Gratuity**

The gratuity benefit payable to the employees of the Company is as per the provisions of the Payment of Gratuity Act, 1972, as amended. Under the gratuity plan, every employee who has completed at least 5 years of service gets gratuity on separation or at the time of superannuation calculated for equivalent to 15 days salary for each completed year of service calculated on last drawn basic salary. The Company does not have a funded plan for gratuity liability.

I. ASSUMPTIONS:	For the period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Discount Rate	6.53%	6.53%	6.53%	6.53%
Salary Escalation	5% per annum	5% per annum	5% per annum	5% per annum
Withdrawal Rates	10.00%	10.00%	10.00%	10.00%
Mortality Table	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.	Indian Assured Lives Mortality (2012-14) Ult.
Retirement Age	60 years	60 years	60 years	60 years

II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:	For the period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Present Value of Benefit Obligation as at the beginning of the year	93.80	76.95	65.31	58.31
Current Service Cost	9.59	16.96	9.38	8.86
Interest Cost	3.44	5.10	4.27	3.88
(Benefit paid)	-	-	(0.63)	(1.64)
Actuarial (gains)/losses	(2.65)	(5.21)	(1.38)	(4.10)
<b>Present value of benefit obligation as at the end of the year</b>	<b>104.18</b>	<b>93.80</b>	<b>76.95</b>	<b>65.31</b>

III. ACTUARIAL GAINS/LOSSES:	For the period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Actuarial (gains)/losses on obligation for the year	(2.65)	(5.21)	(1.38)	(4.10)
Actuarial (gains)/losses on asset for the year	-	-	-	-
<b>Actuarial (gains)/losses recognized in income &amp; expenses Statement</b>	<b>(2.65)</b>	<b>(5.21)</b>	<b>(1.38)</b>	<b>(4.10)</b>

**Servokon Systems Limited**  
**CIN: U32301DL1995PLC068876**

DISCLOSURE UNDER AS-15 AS RESTATED

ANNEXURE - XXXIV

IV. EXPENSES RECOGNISED	For the period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Current service cost	9.59	16.96	9.38	8.86
Interest cost	3.44	5.10	4.27	3.88
Actuarial (gains)/losses	(2.65)	(5.20)	(1.38)	(4.10)
<b>Expense charged to the Statement of Profit and Loss</b>	<b>10.38</b>	<b>16.86</b>	<b>12.27</b>	<b>8.64</b>

V. BALANCE SHEET RECONCILIATION:	For the period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Opening net liability	93.80	79.22	66.95	58.31
Expense as above	10.38	16.86	12.27	8.64
(Benefit paid)	-	-	-	-
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>104.18</b>	<b>96.08</b>	<b>79.22</b>	<b>66.95</b>

VI. EXPERIENCE ADJUSTMENTS	For the period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
On Plan Liability (Gains)/Losses	(2.65)	(5.21)	(1.38)	(4.10)

VII. The estimates of rate of salary increase considered in the actuarial valuation takes into account inflation, seniority, promotion and all other relevant factors including supply and demand in the employment market.

**Servokon Systems Limited**  
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**DETAILS OF ACCOUNTING RATIOS AS RESTATED**

ANNEXURE - XXXV  
(₹ In Lakhs, except per share data and ratios)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Restated Profit after Tax as per Profit & Loss Statement (A)	308.27	328.85	125.58	141.23
Tax Expense (B)	114.38	124.68	45.78	32.01
Depreciation and amortization expense (C)	74.01	169.70	93.06	56.77
Interest Cost (D)	175.21	248.03	229.98	197.54
Weighted Average Number of Equity Shares at the end of the Year (E)	675,977	631,700	631,700	631,700
Number of Equity Shares outstanding at the end of the Year (F)	1,000,000	631,700	631,700	631,700
Nominal Value per Equity share (₹) (G)	10.00	10.00	10.00	10.00
Restated Net Worth of Equity Share Holders as per Statement of Assets and Liabilities (H)	1,449.58	1,104.48	775.63	650.05
Current Assets (I)	6,294.69	5,158.37	4,084.54	4,026.12
Current Liabilities (J)	5,456.21	4,607.63	3,332.74	2,913.28
<b>Earnings Per Share - Basic &amp; Diluted<sup>1 &amp; 2</sup> (₹)</b>	<b>45.60</b>	<b>52.06</b>	<b>19.88</b>	<b>22.36</b>
<b>Return on Net Worth<sup>1 &amp; 2</sup> (%)</b>	<b>21.27%</b>	<b>29.77%</b>	<b>16.19%</b>	<b>21.73%</b>
<b>Net Asset Value Per Share<sup>1</sup> (₹)</b>	<b>144.96</b>	<b>174.84</b>	<b>122.78</b>	<b>102.90</b>
<b>Current Ratio<sup>1</sup></b>	<b>1.15</b>	<b>1.12</b>	<b>1.23</b>	<b>1.38</b>
<b>Earning before Interest, Tax and Depreciation and Amortization<sup>1</sup> (EBITDA)</b>	<b>671.87</b>	<b>871.26</b>	<b>494.40</b>	<b>427.55</b>

**Notes -**

1. Ratios have been calculated as below:

$$\text{Earnings Per Share (₹) (EPS) : } \frac{A}{E}$$

$$\text{Return on Net Worth (%): } \frac{A}{H}$$

$$\text{Net Asset Value per equity share (₹): } \frac{H}{F}$$

$$\text{Current Ratio: } \frac{I}{J}$$

$$\text{Earning before Interest, Tax and Depreciation and Amortization (EBITDA): } A + (B+C+D)$$

2. Ratios are not annualised.

3. Right shares were issued on September 08 , 2023.

**Servokon Systems Limited**  
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STATEMENT OF TAX SHELTERS

ANNEXURE - XXXVI  
(₹ In Lakhs)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax as per books (A)	422.65	453.53	171.36	173.24
Income Tax Rate* (%)	27.82%	27.82%	27.82%	27.82%
MAT Rate* (%)	16.69%	16.69%	16.69%	16.69%
Long term capital gain tax	20.00%	20.00%	20.00%	20.00%
Tax at notional rate on profits	117.58	126.17	47.67	48.20
<b>Adjustments :</b>				
<b>Permanent Differences(B)</b>				
<i>Expenses disallowed under Income Tax Act, 1961</i>				
<i>Disallowance under section 37</i>				
- Late Fees on GST Return	-	-	0.19	4.01
- Interest on TDS & Income Tax	7.51	10.03	4.38	2.15
- Donation	-	0.10	0.31	0.50
<i>Disallowance under section 40(i)(ia)</i>				
- Expense disallowed	-	-	0.75	0.75
<i>Disallowance under section 36</i>				
- EPF Employee Share	-	-	1.97	1.88
- ESI Employee Share	-	0.20	0.12	-
<b>Total Permanent Differences(B)</b>	<b>7.51</b>	<b>10.33</b>	<b>7.72</b>	<b>9.29</b>
<b>Income considered separately (C)</b>				
Profit on Sale of Fixed Asset	-	-	(0.70)	(1.70)
Rental Income	(26.02)	(52.32)	(55.24)	(47.28)
Gain on sale of equity instruments	-	(0.03)	-	-
Rental Income on plant & machinery	(1.29)	(1.14)	(2.28)	(2.28)
Interest Income	(49.33)	(9.56)	(7.77)	(7.84)
<b>Total Income considered separately (C)</b>	<b>(76.64)</b>	<b>(63.05)</b>	<b>(65.29)</b>	<b>(57.40)</b>
<b>Timing Differences (D)</b>				
Depreciation as per Companies Act, 2013	74.01	169.70	93.06	56.77
Depreciation as per Income Tax Act, 1961	(67.25)	(143.23)	(102.16)	(60.25)
Gratuity expense	10.38	16.86	12.27	8.64
<b>Total Timing Differences (D)</b>	<b>17.14</b>	<b>43.33</b>	<b>3.17</b>	<b>5.16</b>
<b>Net Adjustments E = (B+C+D) - (E)</b>	<b>(51.99)</b>	<b>(9.39)</b>	<b>(54.40)</b>	<b>(42.95)</b>
<b>Tax expense / (saving) thereon</b>	<b>(14.46)</b>	<b>(2.61)</b>	<b>(15.13)</b>	<b>(11.95)</b>
<b>Income from Capital Gains</b>				
Long term Capital Gain on Sale of Equity instrument	-	0.03	-	-
<b>Income from Capital Gains (F)</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>
<b>Income from Other Sources</b>				
Interest Income	49.33	9.56	7.77	7.84
Rental Income on plant & machinery	1.29	1.14	2.28	2.28
Profit on Sale of Fixed Asset	-	-	0.70	1.70
<b>Income from Other Sources (G)</b>	<b>50.62</b>	<b>10.70</b>	<b>10.75</b>	<b>11.82</b>
<b>Income from house property:</b>	<b>26.02</b>	<b>52.32</b>	<b>55.24</b>	<b>47.28</b>
<b>Less : Deduction u/s 24</b>	<b>(7.81)</b>	<b>(15.70)</b>	<b>(16.57)</b>	<b>(14.18)</b>
<b>Income from house property (H)</b>	<b>18.21</b>	<b>36.62</b>	<b>38.67</b>	<b>33.10</b>
<b>Set-off from Brought Forward Losses (I)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
UDIN - 24073473BKCZVS7816	<b>439.49</b>	<b>491.49</b>	<b>166.38</b>	<b>175.21</b>
<b>Set-off from Brought Forward Losses for MAT (G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Date : 22-01-2024</b>	<b>422.65</b>	<b>453.53</b>	<b>171.36</b>	<b>173.24</b>
<b>Income Tax as returned/computed</b>	<b>122.27</b>	<b>136.73</b>	<b>46.29</b>	<b>48.74</b>
<b>Tax paid as per normal or MAT</b>	<b>Normal</b>	<b>Normal</b>	<b>Normal</b>	<b>Normal</b>

\*The Company has not opted for income tax rates specified under section 115BAA of Income Tax Act, 1961.

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**DETAILS OF RELATED PARTY TRANSACTION AS RESTATED**

ANNEXURE - XXXVII  
(₹ In Lakhs)

Name of Related Party	Nature of Relationship	Nature of Transaction	Amount of transaction during the period ended September 30, 2023	Amount outstanding as on September 30, 2023 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2023	Amount outstanding as on March 31, 2023 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2022	Amount outstanding as on March 31, 2022 (Payable)/ Receivable	Amount of transaction during the year ended March 31, 2021	Amount outstanding as on March 31, 2021 (Payable)/ Receivable
Asif Khan	Director	Remuneration	6.00	-	12.00	-	12.00	(1.72)	11.45	-
		Reimbursement of Expenses	15.34	(6.65)	10.42	(6.89)	2.66	(0.60)	2.21	(2.64)
		Loan Taken	10.00	-	10.00	(4.00)	6.00	(4.00)	4.00	(4.00)
		Loan Repaid	14.00	-	10.00	-	6.00	-	-	-
		Advance given	-	-	-	-	-	-	-	-
		Advance repaid	-	-	-	-	-	-	23.06	-
Kamruddin	Director	Remuneration	12.00	-	24.00	(9.19)	24.00	(1.76)	24.00	-
		Reimbursement of Expenses	22.46	(7.38)	-	-	6.33	(3.74)	0.10	(2.39)
		Loan Taken	-	(8.00)	20.00	(8.00)	22.33	(7.63)	13.00	(8.00)
		Loan Repaid	-	-	19.63	-	22.70	-	5.00	-
Fatima Begum	Director	Remuneration	3.00	-	6.00	(8.18)	6.00	(5.07)	6.00	(0.39)
		Reimbursement of Expenses	6.00	(0.65)	6.73	(0.43)	-	-	-	-
		Loan Taken	-	(4.00)	31.00	(4.00)	54.00	(13.78)	534.07	(3.53)
		Loan Repaid	-	-	40.78	-	43.75	-	530.54	-
		Advance given	-	-	-	-	-	-	-	-
		Advance repaid	-	-	-	-	-	-	37.53	-
		Rent expenses	0.60	(0.60)	1.20	(1.20)	1.20	(1.20)	-	-
		Remuneration	9.00	-	18.00	-	18.00	-	18.00	-
Zakir Siddiqui Hussain	Director	Advance given	-	-	-	-	-	-	-	-
		Advance repaid	-	-	-	-	-	-	26.55	-
		Loan Taken	66.93	-	20.00	-	21.00	-	14.00	-
		Loan Repaid	65.03	(14.00)	21.90	(12.10)	21.00	(14.00)	-	(14.00)
		Reimbursement of Expenses	2.89	(4.88)	82.79	(47.29)	25.15	(25.98)	35.49	(2.92)
		Commission	-	-	-	-	-	-	1.51	-
Anam Siddiqui	Director	Remuneration	2.52	(0.56)	7.20	-	0.60	(0.58)	-	-
Zeenat Fima	Relative of director	Remuneration	2.16	(0.53)	-	-	1.20	-	-	-
Mohd Akram	Director	Remuneration	3.00	(3.08)	6.00	(4.44)	6.00	(0.67)	5.73	(9.00)
Mohd Sadiq	Director	Remuneration	4.40	(2.53)	7.20	(2.09)	7.20	(2.51)	6.87	(2.98)
Servokon Engineers-Kanpur	Company in which director is Director	Sales (Incl GST)	-	38.91	61.74	46.91	691.92	46.98	905.10	165.72
		Purchase (Incl GST)	-	-	16.04	-	200.67	-	87.68	-
		Loan Taken	-	-	-	-	-	-	8.10	-
		Loan Repaid	-	-	-	-	-	-	8.10	-
		Rent received (Incl GST)	-	-	-	-	3.54	-	3.54	-
		Loan Taken	-	-	-	-	5.00	-	-	-
Servokon Engineers-Kashipur	Company in which director is Director	Loan Repaid	-	-	-	-	5.00	-	-	-
		Loan Taken	-	-	1.80	(1.80)	-	-	-	-
Servokon Royal Taj	Company in which director is Director	Loan Repaid	1.80	-	-	-	-	-	-	-
		Advance Given	-	-	-	-	235.00	-	-	-
		Advance repaid	-	-	-	-	235.00	-	-	-
		Reimbursement of Expenses	-	-	0.10	-	-	-	-	-
MG Road Industrialist Welfare Association	Entity in which director is Director	Reimbursement of Expenses	-	-	-	-	0.05	-	-	-
India Islamic Culture Center (Delhi)	Company in which director is Director	Reimbursement of Expenses	-	-	-	-	0.12	-	-	-

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**ANNEXURES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS**

**DETAILS OF CONTINGENT LIABILITIES & COMMITMENTS AS RESTATED**

ANNEXURE - XXXVIII  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
<b>I. Contingent Liabilities</b>				
(a) claims against the company not acknowledged as debt;	-	-	-	-
(b) guarantees excluding financial guarantees; and	-	-	-	-
(c) other money for which the company is contingently liable	-	-	-	-
<b>II. Commitments</b>				
(a) estimated amount of contracts remaining to be executed on capital account and not provided for	206.57	247.88	330.51	413.14
(b) uncalled liability on shares and other investments partly paid	-	-	-	-
(c) other commitments	-	-	-	-

**RESTATED VALUE OF IMPORTS CALCULATED ON C.I.F BASIS BY THE COMPANY DURING THE FINANCIAL YEAR IN RESPECT OF:**

ANNEXURE - XXXIX  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	₹	₹	₹	₹
(a) Raw Material	-	4.74	26.63	117.16
(b) Components and spare parts	-	55.17	-	-
(c) Capital goods	-	-	-	-

**EXPENDITURE IN FOREIGN CURRENCY DURING THE FINANCIAL YEAR AS RESTATED :**

ANNEXURE - XL  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	₹	₹	₹	₹
(a) Royalty	-	-	-	-
(b) Know-How	-	-	-	-
(c) Professional and consultation fees	-	-	-	-
(d) Interest	-	-	-	-
(e) Purchase of Components and spare parts	-	55.17	-	-
(f) Others	-	-	-	-

**EARNINGS IN FOREIGN EXCHANGE AS RESTATED:**

ANNEXURE - XLI  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	₹	₹	₹	₹
(a) Export of goods calculated on F.O.B. basis	229.80	724.58	329.87	108.68
(b) Royalty, know-how, professional and consultation fees	-	-	-	-
(c) Interest and dividend	-	-	-	-
(d) Other income	-	-	-	-

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**ANNEXURES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS**

**DUES OF SMALL ENTERPRISES AND MICRO ENTERPRISES AS RESTATED**

**ANNEXURE - XLII**  
(₹ In Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
	₹	₹	₹	₹
(a) Dues remaining unpaid to any supplier at the end of each accounting year				
-Principal	-	-	-	-
-Interest on the above	-	-	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-	-
(d) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-
<b>Note :</b> Based on the information available with the Company, there are no dues to Small and Micro enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.				

**ADDITIONAL REGULATORY INFORMATION AS PER PARA Y OF SCHEDULE III TO COMPANIES ACT, 2013:**

**ANNEXURE - XLIII**

- i. The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) whose title deeds are not held in the name of the company.
- ii. The Company has not revalued its Property, Plant and Equipment.
- iii. The Company has not granted loans or advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013.) either severally or jointly with any other person, that are:
  - (a) repayable on demand or
  - (b) without specifying any terms or period of repayment
- iv. The Company does not have any capital work-in-progress.
- v. The Company does not have any intangible assets under development .
- vi. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- vii. The Company has borrowings from banks or financial institutions on the basis of security of current assets and quarterly returns or statements of current assets are not filed by the Company with banks or financial institutions, as banks never ask for such documentations.
- viii. The company is not declared as wilful defaulter by any bank or financial institution or other lender.
- ix. The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- x. There are no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

Name of Lender	Nature of Security	Sanction (₹ In Lakhs)	Reason not registered
HDFC bank limited	Vehicle Loan	7.55	Inadvertently missed to registered such charge
HDFC bank limited	Vehicle Loan	55.00	Inadvertently missed to registered such charge
HDFC bank limited	Vehicle Loan	10.14	Inadvertently missed to registered such charge
HDFC bank limited	Vehicle Loan	18.75	Inadvertently missed to registered such charge
HDFC bank limited	Vehicle Loan	5.64	Inadvertently missed to registered such charge
ICICI Bank Limited	Vehicle Loan	5.86	Inadvertently missed to registered such charge
Axis Bank Limited	Vehicle Loan	17.50	Inadvertently missed to registered such charge
Axis Bank Limited	Vehicle Loan	16.68	Inadvertently missed to registered such charge



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**ANNEXURES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS**

Deutsche bank limited	Such Term loan facility is secured by 1. Equitable mortgage of Property in name of Directors Relative situated at B -150 , priyadarhsani vihar , new delhi - 110092.	570.00	Inaverdently missed to registered such charge
Deutsche bank limited	Such Overdraft , Letter of Credit and Bank guarantee facility is secured by 1. Equitable mortgage of Property in name of Directors Relative situated at B -150 , priyadarhsani	1,000.00	Inaverdently missed to registered such charge
HDfC bank limited	Vehicle Loan	16.74	Inaverdently missed to registered such charge
ICICI Bank Limited	Vehicle Loan	12.00	Inaverdently missed to registered such charge
ICICI Bank Limited	Vehicle Loan	20.44	Inaverdently missed to registered such charge
ICICI Bank Limited	Vehicle Loan	11.00	Inaverdently missed to registered such charge

xi. The company does not have any investments and hence, compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

xii. Significant Accounting Ratios:

Ratios	For the period ended September 30, 2023	For the year ended March 31, 2023	Variation (%)
(a) Current Ratio	1.15	1.12	3.05%
(b) Debt-Equity Ratio	1.05	1.16	(9.60%)
(c) Debt Service Coverage Ratio*	0.14	0.20	(25.87%)
(d) Return on Equity Ratio*	24.14%	34.98%	(30.99%)
(e) Inventory turnover ratio*	1.44	3.30	(56.33%)
(f) Trade Receivables turnover ratio*	3.41	8.80	(61.23%)
(g) Trade payables turnover ratio*	0.75	1.52	(50.57%)
(h) Net capital turnover ratio*	9.40	18.83	(50.06%)
(i) Net profit ratio	4.72%	2.68%	75.99%
(j) Return on Capital employed*	8.98%	11.17%	(19.59%)
(k) Return on investment*	0.00%	0.00%	0.00%

**Reasons for Variation more than 25%:** Since, comparative period is full financial year, hence, not comparable.

(a) Debt-Equity Ratio : Ratio is improved mainly due to decrease in borrowings with increase in Retained earnings during the year.

(b) Net profit ratio : Ratio is improved mainly due to increase in Gross profit during the year.

Ratios	For the year ended March 31, 2023	For the year ended March 31, 2022	Variation (%)
(a) Current Ratio	1.12	1.23	(8.65%)
(b) Debt-Equity Ratio	1.16	1.66	(29.88%)
(c) Debt Service Coverage Ratio	0.20	0.11	70.72%
(d) Return on Equity Ratio	34.98%	17.62%	98.57%
(e) Inventory turnover ratio	3.30	2.67	23.48%
(f) Trade Receivables turnover ratio	8.80	7.86	11.95%
(g) Trade payables turnover ratio	1.52	1.01	51.07%
(h) Net capital turnover ratio	18.83	9.29	102.73%
(i) Net profit ratio	2.68%	1.45%	84.91%
(j) Return on Capital employed	11.17%	6.00%	86.20%
(k) Return on investment	0.00%	0.00%	0.00%

**Reasons for Variation more than 25%:**

(a) Debt Service Coverage Ratio: Ratio is improved mainly due to Increase in EBIT.

(b) Return on Equity Ratio : Ratio is improved mainly due to increase in Net profit subsequently increase in Retained earnings.

(c) Trade payable turnover ratio : Ratio is increase mainly due to Increase in operating expenses.

(d) Net profit ratio: Ratio is improved mainly due to increase in Gross profit margins during the year.

(e) Return on Capital employed: Ratio is improved mainly due to good profits during the year.

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**ANNEXURES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS**

Ratios	For the year ended March 31, 2022	For the year ended March 31, 2021	Variation (%)
(a) Current Ratio	1.23	1.38	(11.32%)
(b) Debt-Equity Ratio	1.66	2.23	(25.77%)
(c) Debt Service Coverage Ratio	0.11	0.10	15.39%
(d) Return on Equity Ratio	17.62%	24.37%	(27.72%)
(e) Inventory turnover ratio	2.67	1.77	50.63%
(f) Trade Receivables turnover ratio	7.86	5.12	53.36%
(g) Trade payables turnover ratio	1.01	0.68	48.17%
(h) Net capital turnover ratio	9.29	4.90	89.52%
(i) Net profit ratio	1.45%	2.65%	(45.24%)
(j) Return on Capital employed	6.00%	6.20%	(3.24%)
(k) Return on investment	0.00%	0.00%	0.00%

**Reasons for Variation more than 25%:**

- (a) Return on Equity Ratio : Ratio is decrease mainly due to decreased in Net profit margin which subsequently affected Retained earnings.  
(b) Inventory turnover ratio : Due to increase in consumption , we can see decrease in holding level of inventory ,hence increase in inventory ratio  
(c) Trade Receivables turnover ratio : Due ti increase in turnover we can see huge variance.  
(d) Trade payable turnover ratio : Ratio is increase mainly due to Increase in operating expenses.  
(e) Net capital turnover ratio : Ratio is improved mainly due to increase in turnover as compared to previous year.  
(f) Net profit ratio: Ratio is decrease mainly due to increase in operating expenses during the year.

xiii. The Company does not have any scheme of arrangements which has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

- xiv. A. 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.  
B. 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.

**CAPITALISATION STATEMENT AS AT SEPTEMBER 30, 2023**

**ANNEXURE - XLIV**  
(₹ In Lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	1,751.10	-
Long Term Debt (B)	1,523.35	-
<b>Total debts (C)</b>	<b>3,274.45</b>	-
<b>Shareholders' funds</b>		
Share capital	100.00	-
Reserve and surplus - as Restated	1,349.58	-
<b>Total shareholders' funds (D)</b>	<b>1,449.58</b>	-
<b>Long term debt / shareholders funds (B/D)</b>	<b>1.05</b>	-
<b>Total debt / shareholders funds (C/D)</b>	<b>2.26</b>	-

**Signatures to Annexures Forming Part Of The Restated Financial Statements**

**For and on behalf of the Board of Directors**

Sd/- <b>Zakir Siddiqui Hussain</b> (Whole - time Managing Director) DIN - 00452052  Place : New Delhi Date : 22-01-2024	Sd/- <b>Kamruddin</b> (Managing Director) DIN - 00451893  Place : New Delhi Date : 22-01-2024	Sd/- <b>Sheeraz Khan</b> (CFO) PAN : CSBPK6639L  Place : New Delhi Date : 22-01-2024	Sd/- <b>Piyush Sudhir Kale</b> (Company Secretary) PAN : HIMPK2313F  Place : New Delhi Date : 22-01-2024
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## OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(₹ in lakhs, unless otherwise stated)

Particulars	As at Period ended September 30, 2023	As at and for the financial year ended March 31, 2023	As at and for the financial year ended March 31, 2022	As at and for the financial year ended March 31, 2021
Restated profit for the year (A)	308.27	328.85	125.58	141.23
Weighted average number of equity shares outstanding as at year end for basic EPS (B)	6,75,977	6,31,700	6,31,700	6,31,700
Weighted average number of equity shares outstanding as at year end for diluted EPS (C)	6,75,977	6,31,700	6,31,700	6,31,700
Basic Earnings per share (in ₹) (D = A/B)	45.60	52.06	19.88	22.36
Diluted Earnings per share (in ₹) (E = A/C)	45.60	52.06	19.88	22.36
Net Worth <sup>(1)</sup> (F)	1,449.58	1,104.48	775.63	650.05
Return on Net Worth (G = A/F*100) (%) <sup>(2)</sup>	21.27%	29.77%	16.19%	21.73%
Net Asset Value per equity share (in ₹) (H = F/B) <sup>(3)</sup>	144.96	174.84	122.78	102.90
EBITDA <sup>(4)</sup> (I)	671.87	871.26	494.40	427.55

Notes:

1. Net Worth is calculated as the sum of equity share capital and other equity attributable to owners of the Company
2. Return on Net Worth calculated as restated profit for the year divided by Net worth.
3. Net Asset Value per equity share = Net Asset Value per Share represents Net worth attributable to the owners of the company divided by the numbers of shares outstanding as at year end.
4. EBITDA has been calculated as Restated profit before tax + interest expense + depreciation and amortization less other income.

### Related Party Transactions

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., AS 24 - Related Party Disclosures read with the SEBI ICDR Regulations for the period ended September 30, 2023 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, see "Restated Financial Statements" beginning on page 139.

### CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at September 30, 2023, on the basis of our Restated Financial Statements:

*(in ₹ lakhs)*

Particulars	Pre-Issue as at September 30, 2023	As adjusted for the Issue
<b>Borrowings:</b>		
Current borrowings (A)	1751.10	[•]
Non-Current borrowings (B)	1523.35	[•]
<b>Total Borrowings (C = A + B)</b>	<b>3,274.45</b>	[•]
<b>Shareholders' fund (Net worth)</b>		
Share capital (D)	100.00	[•]
Reserve and surplus - as Restated (E)	1,349.58	[•]
<b>Total shareholders' fund (Net worth) (G) (G = (D +E)</b>	<b>1,449.58</b>	[•]
<b>Non-Current borrowings / shareholders' fund (Net worth) ratio (B / G)</b>	<b>1.05</b>	[•]
<b>Total borrowings / shareholders' fund (Net worth) ratio (C / G)</b>	<b>2.26</b>	[•]

*\*On October 30, 2023, the Company has issued bonus shares in the ratio of 6 equity shares of 1 equity shares.*

## FINANCIAL INDEBTEDNESS

Our Company avails loans and facilities in the ordinary course of its business for meeting our working capital, capital expenditure and other business requirements. For details of the borrowing powers of our Board, please see “*Our Management – Borrowing Powers*” on page 115.

Our Company has obtained the necessary consents required under the relevant financing documentation for undertaking activities in relation to the Issue, including dilution of the current shareholding of our Promoters and members of the promoter group, expansion of business of our Company, effecting changes in our capital structure and shareholding pattern.

The aggregate outstanding borrowings (including fund based and non-fund-based borrowings) of our Company as on period ended September 30, 2023, as certified by our Peer review Auditor, are as follows:

(in ₹ lakhs)

Category of Borrowing	Sanctioned amount	Principal Amount Outstanding as of September 30, 2023
<b>Secured Loans</b>		
(i) Term loans	2902.89	1567.19
(ii) Working capital facilities		
• Cash Credit Limit	1965.00	1,456.38
• Overdraft Limit		
• Bank Guarantee		
(iii) Vehicle Loans	279.28	139.66
<b>Total Secured Loans (A)</b>	<b>5147.17</b>	<b>3163.23</b>
<b>Unsecured Loans</b>		
(i) Term Loans from Banks and Fis	257.35	85.22
(ii) Related Parties*	26.00	26.00
<b>Total Unsecured Loans (B)</b>	<b>283.35</b>	<b>111.22</b>
<b>Grand Total (A + B)</b>	<b>5430.52</b>	<b>3274.45</b>

\*Loan from related parties are unsecured, interest-free and expected to repayable after 12 months from the reporting date.

**Principal terms of the secured borrowings currently availed by our Company:**

The details provided below are indicative and there may be additional terms, conditions and requirements under the various financial documentation executed by us in relation to our indebtedness:

S.No	Name of Lender	Nature of security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	Outstanding as on September 30, 2023 (₹ In Lakhs)	Purpose/ Nature of Loan
1	Axis Bank Limited	Vehicle Loan	Repayable in 60 Equated monthly installments	50.05	8.25% p.a.	60	20.42	Vehicle Loan
2	HDFC bank limited*	Vehicle Loan	Repayable in 47 Equated monthly installments	7.55	8.67% p.a.	47	2.18	Vehicle Loan
3	HDFC bank limited	Vehicle Loan	Repayable in 60 Equated monthly installments	55.00	8.67% p.a.	60	23.01	Vehicle Loan
4	HDFC bank limited*	Vehicle Loan	Repayable in 47 Equated monthly installments	18.75	8.67% p.a.	47	5.41	Vehicle Loan

5	ICICI Bank Limited	Such Overdraft facility is secured by way of hypothecation of compnay's entire stock book debts both present and future Equitable mortgage of Property situated at 1. plot No. A -6 situated at industrial estate M G road, District , District Hapur , Uttar pradesh - 201015 2. Plot no.111 , block Sector A , 108 . noida gautam buddha nagar - 201304	Repayable in 12 Equated monthly installments	500.00	9.10 % p.a. .i.e. Repo rate + 2.85 % Spread	12	389.40	Working Capital
6	ICICI Bank Limited	Vehicle Loan	Repayable in 36 Equated monthly installments	5.86	8.00 % p.a.	36	0.18	Vehicle Loan
7	Kotak Mahindra Bank Limited*	Such Term loan facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar ,Uttar pradesh - 201301	Repayable in 144 Equated monthly installments	50.00	7.15% p.a. .i.e. repo rate + 3.15 % Spread	144	44.69	Business Loan
8	Kotak Mahindra Bank Limited	Such Term loan facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar ,Uttar pradesh - 201301	Repayable in 78 Equated monthly installments	145.00	7.15% p.a. .i.e. Repo Rate + 3.15% Spread.	78	110.46	Business Loan
9	Kotak Mahindra Bank Limited	Such Term loan facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar ,Uttar pradesh - 201301	Repayable in 120 Equated monthly installments	255.00	9.50% p.a. .i.e. Repo Rate + 3.15% Spread.	120	208.43	Business Loan
10	Axis Bank Limited	Vehicle loan	Repayable in 36 Equated monthly installments	31.95	8.15 % p.a.	36	14.21	Vehicle Loan

11	Axis Bank Limited	Vehicle Loan	Repayable in 60 Equated monthly installments	17.50	8.35 % p.a.	60	12.64	Vehicle Loan
12	Axis Bank Limited	Vehicle Loan	Repayable in 60 Equated monthly installments	16.68	8.75 % p.a.	60	14.57	Vehicle Loan
13	Deutsche bank limited*	Emergency credit line (Unsecured)	Repayable in 49 Equated monthly installments	257.35	8.10 % p.a.	49	85.22	Business Loan
14	Deutsche bank limited*	Such Term loan facility is secured by 1. Equitable mortgage of Property in name of Directors Relative situated at B -150 , priyadarhsani vihar , new delhi - 110092.	Repayable in 180 Equated monthly installments	570.00	9.00 p.a.%	180	476.46	Business Loan
15	Deutsche bank limited	Such Overdraft , Letter of Credit and Bank guarantee facility is secured by 1. Equitable mortgage of Property in name of Directors Relative situated at B -150 , priyadarhsani vihar , new delhi - 110092. and 2. Fixed deposit @10 % margin against and Letter of credit and Bank guarantee	Repayable in 12 Equated monthly installments	1,000.00	MBOR + 2.65% p.a	12	770.19	Working Capital



16	HDFC bank limited*	Vehicle Loan	Repayable in 48 Equated monthly installments	16.74	8.00 % p.a.	48	14.35	Vehicle Loan
17	HDFC bank limited	Such Home Loan Facility is secured against Property situated at Falt no.503 , tower catania , mahagun mezzaria , GHA01A , Sector 78 , Noida , Uttar pradesh - 201301	Repayable in 240 Equated monthly installments	100.00	8.80 % to 10.10% p.a	240	90.86	Home Loan
18	ICICI Bank Limited*	Such Dropline Overdraft is secured by way of hypothecation of company's entire stock book debts both present and future Equitable mortgage of Property situated at 1. plot No. A -6 situated at industrial estate M G road, District , District Hapur , Uttar pradesh - 201015 2. Plot no.111 , block Sector A , 108 . noida gautam buddha nagar - 201304	Repayable in 84 Equated monthly installments	465.00	9.10 % p.a. .i.e. Repo rate + 2.85 % Spread	84	296.79	Working Capital
19	ICICI Bank Limited	Vehicle Loan	Repayable in 60 Equated monthly installments	12.00	7.25% p.a.	60	8.48	Vehicle Loan

20	ICICI Bank Limited	Vehicle Loan	Repayable in 47 Equated monthly installments	20.44	7.50% p.a.	47	13.77	Vehicle Loan
21	Kotak Mahindra Bank Limited	Such Term loan facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar ,Uttar pradesh - 201301	Repayable in 120 Equated monthly installments	400.00	9.50% p.a. .i.e. Repo Rate + 3.00% Spread.	120	391.56	Business Loan
22	Kotak Mahindra Bank Limited*	Such Term loan facility is secured by Equitable mortgage of Property situated at Plot no.56 , Block A S, Sector 63 , gautam budhha nagar ,Uttar pradesh - 201301	Repayable in 120 Equated monthly installments	250.00	8.85% p.a.	120	244.73	Business Loan
23	ICICI Bank Limited	Vehicle Loan	Repayable in 36 Equated monthly installments	11.00	9.00% p.a.	36	10.44	Vehicle Loan

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION 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 Red Herring Prospectus. The following discussion relates to our Company and is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

### BUSINESS OVERVIEW

Our Company was incorporated on May 23, 1995 under the name and style of 'Servokon Systems Private Limited', a private limited company under the Companies Act, 1956, pursuant to a Certificate of Incorporation issued by the Registrar of Companies, N.C.T of Delhi & Haryana. Pursuant to a special resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on October 03, 2005, our Company was converted from a private limited company to public limited company and consequently, the name of our Company was changed to 'Servokon Systems Limited' and a fresh certificate of incorporation dated March 28, 2006 was issued to our Company by the Registrar of Companies, N.C.T of Delhi & Haryana. The corporate identification number of our Company is U32301DL1995PLC068876.

We have consistently grown in terms of our revenues over the past years. In the past three (3) years our revenues from operation were Rs.5,332.50 lakhs in F.Y. 2020-21, Rs. 8,659.18 lakhs in F.Y.2021-22, Rs. 12,263.01 lakhs in the FY 2022-23 and Rs.6,531.80 lakhs for the half year ending 30<sup>th</sup> September 2023. Our Net Profit after tax for the above-mentioned periods are Rs. 141.23 lakhs, Rs.125.58 lakhs, Rs.328.85 lakhs and Rs.308.27 respectively.

### FINANCIAL KPIs OF THE COMPANY:

(Rs. In Lakhs)

Particulars	For the period ended 30th September, 2023	For the year ended March 31		
		2023	2022	2021
Revenue from Operations (₹ in Lakhs)	6,531.80	12,263.01	8,659.18	5,332.50
Growth in Revenue from Operations (%)	-	41.62%	62.38%	-
Total Income	6,583.76	12,372.10	8,745.67	5,404.57
EBITDA (₹ in Lakhs)	671.87	871.26	494.40	427.55
EBITDA Margin (%)*	10.20%	7.04%	5.65%	7.91%
Profit After Tax (₹ in Lakhs)	308.27	328.85	125.58	141.23
PAT Margin (%)*	4.72%	2.68%	1.45%	2.65%
ROE (%)	21.27%	29.77%	16.19%	21.73%
ROCE (%)	8.98%	11.17%	6.00%	6.20%

\*EBITDA Margin has been calculated as a percentage of Total Income and PAT Margin has been calculated as a percentage of Revenue from Operations.

### FACTORS AFFECTING OUR RESULT OF OPERATIONS

Except as otherwise stated in this Draft Red Herring Prospectus and the Risk Factors given in the Draft Red Herring Prospectus, the following important factors could cause actual results to differ materially from the expectations include, among others:

#### 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 any member of our senior management or other key personnel may adversely affect our business, results of operations 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 market players would further intensify competition. Moreover, as we seek to diversify into new geographical areas, new territories, new emerging markets, we may 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.

#### ***Significant Developments after September 30th, 2023 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 Red Herring 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 Accounting and Preparation Of Financial Statements:**

The restated summary statement of assets and liabilities of the Company as at September 30, 2023, March 31, 2023, March 31, 2022 and 2021 and the related restated summary statement of profits and loss and cash flows for the year/period ended September 30, 2023, March 31, 2023, March 31, 2022 and 2021 (herein collectively referred to as ("Restated Summary Statements")) have been compiled by the management from the audited Financial Statements of the Company for the year/period ended on September 30, 2023, March 31, 2023, March 31, 2022 and 2021 approved by the Board of Directors of the Company. 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 in connection with its proposed SME 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 financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Accounting policies not specifically referred to otherwise are consistent and in consonance with generally accepted accounting principles in India.

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 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 realization 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.

#### **b) Use Of Estimates:**

The preparation of the financial statements in conformity with Indian GAAP 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 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) Property, Plant & Equipment And Intangible Assets**

##### **i. Property, Plant & Equipment**

All Property, Plant & Equipment are recorded at cost including taxes, duties, freight and other incidental expenses incurred in relation to their acquisition and bringing the asset to its intended use.

##### **ii. Intangible Assets**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

**d) Depreciation / Amortisation:**

Depreciation on fixed assets is calculated on a Written - Down value method using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule II to the Companies Act, 2013. Individual assets cost of which doesn't exceed Rs. 5,000/- each are depreciated in full in the year of purchase. Intangible assets including internally developed intangible assets are amortised over the year for which the company expects the benefits to accrue. Intangible assets are amortized on straight line method basis over 10 years in pursuance of provisions of AS-26.

**e) Inventories:**

Inventories comprises of Raw Material and Finished Goods.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**f) Impairment of assets:**

The company assesses at each balance sheet date where there is any indication that an asset maybe impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If the recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs, is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and it is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and is accordingly reversed in the profit and loss account.

**g) 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 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.

**h) Investments:**

Non-current investments are carried at cost less any other-than-temporary diminution in value, determined on the specific identification basis.

Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment. Cost of investments sold is arrived using average method.

**i) Foreign Currency Translations:**

Income and expense in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognized in Profit & Loss Account in the year in which it arises.

**j) Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

**k) Provisions, Contingent Liabilities and Contingent Assets:**

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.

**l) Revenue Recognition:**

Revenue is Recognised only when significant risk and rewards of ownership has been transferred to the buyer and it can be reliably measured and its reasonable to expect ultimate collection of it. Gross sales are of net trade discount, rebates, sales taxes and excise duties.

Revenue from services is recognized, when services have been performed as per terms of contract, amount can be measured and there is no significant uncertainty as to collection.

The Company adopts accrual concepts in preparation of accounts. Claims /Refunds not ascertainable with reasonable certainty are accounted for ,on final settlement.

**m) Other Income:**

Interest Income on fixed deposit is recognized on time proportion basis. Other Income is accounted for when right to receive such income is established.

**n) Taxes On Income:**

Income taxes are accounted for in accordance with Accounting Standard (AS-22) – “Accounting for taxes on income”, notified under Companies (Accounting Standard) Rules, 2014. Income tax comprises of both current and deferred tax.

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.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using substantially enacted tax rates and tax regulations as of the Balance Sheet date.

Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.

**o) Cash and Bank Balances:**

Cash and cash equivalents comprises Cash-in-hand, Current Accounts, Fixed Deposits 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. Other Bank Balances are short-term balance (with original maturity is more than three months but less than twelve months).

**p) Earnings 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 year. 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.

**q) Employee Benefits:**

**Defined Contribution Plan:**

Contributions payable to the recognised provident fund, which is a defined contribution scheme, are charged to the statement of profit and loss.

**Defined Benefit Plan:**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service without any monetary limit. Vesting occurs upon completion of five years of service. Provision for gratuity has been made in the books as per actuarial valuation done as at the end of the year.

**r) 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 half year ended 30 <sup>th</sup> September, 2023	% of Total**	For the year ended 31 <sup>st</sup> March, 2023	% of Total**	For the year ended 31 <sup>st</sup> March, 2022	% of Total**	For the year ended 31 <sup>st</sup> March, 2021	% of Total**
<b>INCOME</b>								
Revenue from Operations	6,531.80	99.21%	12,263.01	99.12%	8,659.18	99.01%	5,332.50	98.67%
Other Income	51.96	0.79%	109.09	0.88%	86.49	0.99%	72.07	1.33%
<b>Total Revenue (A)</b>	<b>6,583.76</b>	<b>100.00%</b>	<b>12,372.10</b>	<b>100.00%</b>	<b>8,745.67</b>	<b>100.00%</b>	<b>5,404.57</b>	<b>100.00%</b>
<b>EXPENDITURE</b>								
Cost of material consumed	5,016.62	76.20%	10,103.39	81.66%	6,217.47	71.09%	4,958.27	91.74%
Direct Expenses	342.19	5.20%	533.35	4.31%	240.52	2.75%	144.41	2.67%
Changes In Inventories Of Work In Progress, Finished Goods & Stock-In-Trade	(177.51)	-2.70%	(736.38)	-5.95%	801.81	9.17%	(737.76)	-13.65%
Employee benefits expense	308.04	4.68%	490.89	3.97%	358.30	4.10%	298.73	5.53%
Finance costs	183.88	2.79%	264.45	2.14%	237.42	2.71%	199.53	3.69%
Depreciation and amortization expense	74.01	1.12%	169.70	1.37%	93.06	1.06%	56.77	1.05%
Other expenses	413.88	6.29%	1,093.17	8.84%	625.73	7.15%	311.38	5.76%
<b>Total Expenses (B)</b>	<b>6,161.11</b>	<b>93.58%</b>	<b>11,918.57</b>	<b>96.33%</b>	<b>8,574.31</b>	<b>98.04%</b>	<b>5,231.33</b>	<b>96.79%</b>
<b>Profit/(Loss) before Tax</b>	<b>422.65</b>	<b>6.42%</b>	<b>453.53</b>	<b>3.67%</b>	<b>171.36</b>	<b>1.96%</b>	<b>173.24</b>	<b>3.21%</b>
Tax Expense/ (benefit)								
(a) Current Tax Expense	122.27	1.86%	136.73	1.11%	46.29	0.53%	48.74	0.90%
(b) Deferred Tax	(7.89)	-0.12%	(12.05)	-0.10%	(0.51)	-0.01%	(16.73)	-0.31%
<b>Net tax expense / (benefit)</b>	<b>114.38</b>	<b>1.74%</b>	<b>124.68</b>	<b>1.01%</b>	<b>45.78</b>	<b>0.52%</b>	<b>32.01</b>	<b>0.59%</b>
<b>Profit/(Loss) for the year</b>	<b>308.27</b>	<b>4.68%</b>	<b>328.85</b>	<b>2.66%</b>	<b>125.58</b>	<b>1.44%</b>	<b>141.23</b>	<b>2.61%</b>

\*\*Total refers to Total Revenue

### **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 99.21%, 99.12%, 99.01% and 98.67% for the period ended September 30, 2023 and Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively.

(₹ In Lakhs)

Particulars	For the Period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Goods	6,505.43	12,218.60	8,600.70	5,312.93
Sales of services	26.37	44.41	58.48	19.57
<b>TOTAL</b>	<b>6,531.80</b>	<b>12,263.01</b>	<b>8,659.18</b>	<b>5,332.50</b>

#### **Other Income**

Our Other Income consists of Interest Income, Rental Income, Freight Charges, Installation Services, Duty Drawbacks, etc.

(₹ In Lakhs)

Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on fixed deposit	9.99	9.56	7.77	7.84
Rent received on property	26.02	52.32	55.24	47.28
Hiring charges on plant & Machinery	1.29	1.14	2.28	2.28
Freight charges received	12.03	11.32	17.08	7.63
Installation Services	-	22.85	1.54	-
Duty Draw back Income	2.49	9.67	1.71	0.64
Miscellaneous income	-	1.87	0.17	4.70
Gain on sale of equity shares	-	0.03	-	-
Profit on sale of fixed asset	-	-	0.70	1.70
Packing & Forwarding Income	0.14	0.33	-	-
<b>TOTAL</b>	<b>51.96</b>	<b>109.09</b>	<b>86.49</b>	<b>72.07</b>

#### **Expenditure**

Our total expenditure primarily consists of Direct Expenses, employee benefit expenses, finance costs, Depreciation and Admin & Other Expenses.

#### **Direct Expenses**

Our direct expenses comprises of Power & Fuel Expenses, Freight and Shipment Charges, Manufacturing expense, Custom Duty charges, Consumption of stores and spares, Testing expense, Labour Charges, Packing Material, Wages, Installation expenses.

#### **Employee Benefit Expenses**

Our employee benefits expense comprises of Salary to Staff, Employer's Contribution to PF & ESIC, Gratuity expense, Director's Remuneration and Staff Welfare expense.

#### **Finance costs**

Our Finance cost expenses comprises of Bank Charges, Interest on leasehold properties, Interest on Borrowings, Interest on late payments of TDS & Income Tax.

#### **Other Expenses**

Other expenses primarily include Auditor's Remuneration, Rent expense, Statutory Demand expense, Advertisement expense, Business Promotion expense, Bad debts written off, Conveyance expense, Commission expense, Compensation Charges, Donation, Fuel Charges, Designing Charges, Electricity expense, Freight & Cartage, Filing Fees, Festival expense, Insurance expense, Keymen Insurance Charges, Legal & Professional Charges, Miscellaneous expenses, Membership & Subscription, Office expense, Printing & Stationery, Postage & Telegram expense, Rates & taxes, Repair & Maintenance, Rebate & Discount, Service Charges Paid, Software expense, Security expense, Tempo expense, Telephone expense, Tender Fees, Travelling expense, Warranty Charges, Inspection charges.



Particulars	For the Period ended September 30 , 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Auditor's Remuneration	2.25	0.30	0.75	0.75
Rent expense	0.60	2.53	3.51	5.41
Statutory Demand expense	1.57	24.95	10.13	4.71
Advertisement expense	208.95	559.31	248.47	121.13
Business Promotion expense	2.15	103.17	4.31	2.60
Bad debts written off	-	-	-	13.52
Conveyance expense	0.14	0.35	0.90	0.41
Commission expense	37.80	44.56	36.26	6.56
Compensation Charges	-	-	-	2.88
Donation	-	0.10	0.31	0.50
Fuel Charges	0.36	4.20	-	3.21
Designing Charges	-	-	-	0.10
Electricity expense	1.36	5.04	2.70	2.23
Freight & Cartage	-	75.79	74.22	36.13
Filing Fees	-	0.20	-	0.65
Festival expense	1.85	1.73	-	-
Insurance expense	11.98	10.11	13.64	3.03
Keymen Insurance Charges	-	2.56	8.73	6.23
Legal & Professional Charges	21.36	16.17	22.36	9.20
Miscellaneous expenses	-	0.42	0.11	0.21
Membership & Subscription	-	3.86	0.80	0.54
Office expense	3.89	4.90	9.04	7.23
Printing & Stationery	2.90	15.99	3.44	0.93
Postage & Telegram expense	0.86	2.36	5.23	3.43
Rates & taxes	-	1.41	4.26	-
Repair & Maintenance	34.64	11.64	29.57	19.32
Rebate & Discount	2.68	0.66	8.17	18.38
Service Charges Paid	0.80	21.77	5.74	14.32
Software expense	10.36	3.15	6.38	2.22
Security expense	5.25	9.53	2.56	0.23
Tempo expense	4.05	39.78	18.23	4.22
Telephone expense	-	10.15	7.77	4.16
Tender Fees	1.57	6.19	0.86	0.34
Travelling expense	55.80	107.74	64.13	15.47
Warranty Charges	-	0.01	-	-
Inspection charges	0.71	2.54	33.15	1.13
<b>TOTAL</b>	<b>413.88</b>	<b>1,093.17</b>	<b>625.73</b>	<b>311.38</b>

**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.

**For the half year ended September 30<sup>th</sup>, 2023****Income**

The total income of our company for the period ended September 30<sup>th</sup>, 2023 was ₹ 6,583.76 lacs.

**Expenditure**

### ***Cost of material consumed***

For the half year ended September 30th, 2023, our Company incurred cost of material consumed ₹ 5,016.62 lacs.

### ***Direct Expenses***

For the half year ended September 30th, 2023, our Company incurred cost for direct expenses ₹ 342.19 lacs.

### ***Changes In Inventories Of Work In Progress ,Finished Goods & Stock-In-Trade***

For the half year ended September 30th, 2023, our Company incurred had ₹ (177.51) lacs.

### ***Employee Benefit Expenses***

For the half year ended September 30th, 2023, our Company incurred for employee benefit expenses ₹ 308.04 lacs.

### ***Finance Costs***

The finance costs for the half year ended September 30th, 2023 was ₹ 183.88 lacs.

### ***Depreciation and Amortization expense***

The Depreciation and Amortization expense for the half year ended September 30th, 2023 was ₹ 74.01 lacs.

### ***Other Expenses***

For the half year ended September 30th, 2023, our other expenses were ₹ 413.88 lacs.

### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the half year ended September 30th, 2023 of ₹ 422.65 lacs.

### ***Profit/ (Loss) after Tax***

Profit after tax for the half year ended September 30th, 2023 was at ₹ 308.27 lacs.

## **Fiscal 2023 compared with fiscal 2022**

### ***Revenue from Operations***

The Revenue from Operations of our company for fiscal year 2023 was ₹ 12,263.01 lacs against ₹ 8,659.18 lacs total income for Fiscal year 2022. An increase 41.62% in revenue from operations. This increase was due to addition of new products in Renewal energy vertical, expansion of geographical presence encompassing more states.

### ***Other Income***

The other income of our company for fiscal year 2023 was ₹ 109.09 lacs against ₹ 86.49 lacs for Fiscal year 2022. An increase 26.13% in total income. This increase was due to the adding of Renewal energy vertical which has resulted increase in service charges as well as freight charges along with AMC Services.

### ***Total Income***

The total income of our company for fiscal year 2023 was ₹ 12,372.10 lacs against ₹ 8,745.67 lacs total income for Fiscal year 2022. An increase 41.47% in total income. This increase was due to the addition of new products in Renewal Energy Vertical, diversifying in more states, as well as increase in various other services such as Service charges, freight charges, AMC Services.

### ***Expenditure***

### ***Cost of material consumed***

In Fiscal 2023, our Cost of material consumed were ₹10,103.39 lacs against ₹6,217.47 lacs in fiscal 2022. An increase of 62.50%. This increase is in line with increase in revenue from operations along with impacts of price sensitivity in the raw material costs.

### ***Direct Expenses***

In Fiscal 2023, our direct expenses were ₹533.35 lacs against ₹240.52 lacs direct expenses in fiscal 2022. An increase of 121.75%. This increase is in synchronisation with the increase in revenue from operations.

### ***Employee Benefit Expenses***

In Fiscal 2023, our Company incurred for employee benefit expenses ₹ 490.89 lacs against ₹ 358.30 lacs expenses in fiscal 2022. An increase of 37.01%. This increase was due to increase in number of employees as well as increase in salaries.

### ***Finance Costs***

The finance costs for the Fiscal 2023 was ₹264.45 lacs while it was ₹237.42 lacs for Fiscal 2022. An increase of 11.38% This increase was a result of increase in borrowings from banks.

### ***Other Expenses***

In fiscal 2023, our other expenses were ₹1,093.17 lacs and ₹625.73 lacs in fiscal 2022. This increase of 74.70% is in direct relation to increase in total revenue from operations as well as substantial increase in the advertisement expenses.

### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal 2023 of ₹ 453.53 lacs against profit before tax of ₹171.36 lacs in Fiscal 2022. An increase of 164.67%. This increase was due to increase in the total revenue from operations as well as increase in operating margins.

### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal 2023 was at ₹328.85 lacs against profit after tax of ₹125.58 lacs in fiscal 2022. An increase of 161.86%. This increase was a result of increase in the profit before taxes of the company.

## **Fiscal 2022 compared with fiscal 2021**

### ***Revenue from Operations***

The Revenue from Operations of our company for fiscal year 2022 was ₹ 8,659.18 lacs against ₹ 5,332.50 lacs total income for Fiscal year 2021. An increase 62.38% in revenue from operations. This increase was fuelled with business expansion, diversifying into different products as well as expanding our physical presence by covering more regions in the markets.

### ***Other Income***

The other income of our company for fiscal year 2022 was ₹86.49 lacs against ₹72.07 lacs for Fiscal year 2021. An increase 20.01% in total income. This increase was due to increase in the rental income as well as increase in service charges.

### ***Total Income***

The total income of our company for fiscal year 2022 was ₹8,745.67 lacs against ₹5,404.57 lacs total income for Fiscal year 2021. An increase 61.82% in total income. As mentioned above the increase in total income is a result of organic growth of the business by diversifying into different products and regions along with increase in other sources of income such as rental income and service charges

### ***Expenditure***

#### ***Cost of material consumed***

In Fiscal year 2022, our Cost of material consumed were ₹6,217.47 lacs against ₹4,958.27 lacs in fiscal year 2021. An increase of 25.40%. This increase is in direct correlation with the increase in revenue from operations of the company resulting in more consumption and processing of raw material.

#### ***Direct Expenses***

In Fiscal year 2022, our direct expenses were ₹240.52 lacs against ₹144.41 lacs direct expenses in fiscal year 2021. An increase of 66.55%. This increase was due to increase in revenue from operations and increase in the cost of various direct expenses such as wages and power and fuel expenses.

#### ***Employee Benefit Expenses***

In Fiscal year 2022, our Company incurred for employee benefit expenses ₹ 358.30 lacs against ₹ 298.73 lacs expenses in fiscal year 2021. An increase of 19.94%. This increase was due to increase in the number of employees.

#### ***Finance Costs***

The finance costs for the Fiscal year 2022 was ₹237.42 lacs while it was ₹199.53 lacs for Fiscal year 2021. An increase of 18.99%. This increase is a result of increase in the credit facilities sanctioned from banks as well as payments of interest on leasehold property.

### ***Other Expenses***

In fiscal year 2022, our other expenses were ₹625.73 lacs and ₹311.38 lacs in fiscal year 2021. This increase of 100.95% is directly in line with the increase in revenue from operations and related expenses.

### ***Profit/ (Loss) before Tax***

Our Company had reported a profit before tax for the Fiscal year 2022 of ₹ 171.36 lacs against profit before tax of ₹173.24 lacs in Fiscal year 2021. A decrease of 1.09%. This slight decrease was due to the increase in the operational cost of the company directly linked with the revenue from operations as well as increase in other expenses.

### ***Profit/ (Loss) after Tax***

Profit after tax for the Fiscal year 2022 was at ₹125.58 lacs against profit after tax of ₹141.23 lacs in fiscal year 2021. A decrease of 11.08%. This decrease was primarily due to slight decrease in the profit before taxes along with impact of deferred taxes arising out of capital expenditures.

## Cash Flows

(Amount ₹ in lacs)

Particulars	For the half year ended 30 <sup>th</sup> September, 2023	For the year ended March 31,		
		2023	2022	2021
Net Cash from Operating Activities	(129.46)	(366.47)	507.78	25.85
Net Cash from Investing Activities	(30.71)	(242.01)	(260.38)	(284.19)
Net Cash used in Financing Activities	148.60	591.72	(259.10)	309.14

### Cash Flows from Operating Activities

- For the period ended September 30, 2023, net cash used in for operating activities was ₹ (129.46) Lakhs. This comprised of the profit before tax of ₹ 422.65 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹74.01 Lakhs and Finance cost of ₹ 183.88 Lakhs. The resultant operating profit before working capital changes was ₹ 680.93 Lakhs, which was primarily adjusted for an increase in trade receivables during the year of ₹403.99 Lakhs, inventory of ₹654.89 lakhs, loans and advances of ₹ 372.98 lakhs, other assets of ₹46.56 lakhs, and increase in trade payables ₹558.06 Lakhs and other current liabilities and provisions of ₹ 204.48 Lakhs.

Cash Generated from Operations was ₹ (34.95) Lakhs which was reduced by Direct Tax paid for ₹ (94.51) Lakhs resulting into Net cash flow generated from operating activities of ₹ (129.46) Lakhs.

- In FY 2023, net cash used in for operating activities was ₹ (366.47) Lakhs. This comprised of the profit before tax of ₹ 453.53 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹169.70 Lakhs and Finance cost of ₹ 264.45 Lakhs. The resultant operating profit before working capital changes was ₹ 894.98 Lakhs, which was primarily adjusted for an increase in trade receivables during the year of ₹638.80 Lakhs, inventory of ₹384.35 lakhs, loans and advances of ₹ 492.17 lakhs, other assets of ₹25.23 lakhs, and decrease in trade payables ₹142.32 Lakhs and increase in other current liabilities and provisions of ₹ 519.03 Lakhs.

Cash Generated from Operations was ₹ (268.86) Lakhs which was reduced by Direct Tax paid for ₹ (97.61) Lakhs resulting into Net cash flow generated from operating activities of ₹ (366.47) Lakhs.

- In FY 2022, net cash used in for operating activities was ₹ 507.78 Lakhs. This comprised of the profit before tax of ₹ 171.36 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹93.06 Lakhs and Finance cost of ₹ 237.42 Lakhs. The resultant operating profit before working capital changes was ₹ 505.64 Lakhs, which was primarily adjusted for an decrease in trade receivables during the year of ₹54.60 Lakhs, increase in inventory of ₹39.93 lakhs, loans and advances of ₹ 209.68 lakhs, other assets of ₹12.07 lakhs, and decrease in trade payables ₹51.09 Lakhs and increase in other current liabilities and provisions of ₹ 322.57 Lakhs.

Cash Generated from Operations was ₹ 570.05 Lakhs which was reduced by Direct Tax paid for ₹ (62.27) Lakhs resulting into Net cash flow generated from operating activities of ₹ 507.78 Lakhs.

- In FY 2021, net cash used in for operating activities was ₹ 25.85 Lakhs. This comprised of the profit before tax of ₹ 173.24 Lakhs, which was primarily adjusted for depreciation and amortization expenses of ₹56.77 Lakhs and Finance cost of ₹ 199.53 Lakhs. The resultant operating profit before working capital changes was ₹ 442.16 Lakhs, which was primarily adjusted for an increase in trade receivables during the year of ₹190.65 Lakhs, inventory of ₹455.68 lakhs, decrease in loans and advances of ₹ 140.92 lakhs, increase in other assets of ₹80.09 lakhs, and increase in trade payables ₹208.40 Lakhs and increase in other current liabilities and provisions of ₹ 18.56 Lakhs.

Cash Generated from Operations was ₹ 83.62 Lakhs which was reduced by Direct Tax paid for ₹ (57.77) Lakhs resulting into Net cash flow generated from operating activities of ₹ 25.85 Lakhs.

### Cash Flows from Investment Activities

- For the half year ended September 30, 2023, net cash used in investing activities was ₹ (30.71) Lakhs, which primarily comprised of cash used for the purchase of property, plant, and equipment of ₹ 40.70 Lakhs, receipt of interest income of 9.99 lakhs.
- In FY 2023, net cash used in investing activities was ₹ (242.01) Lakhs, which primarily comprised of cash used for the purchase of property, plant, and equipment of ₹251.57 Lakhs, receipt of interest income of 9.56 lakhs.
- In FY 2022, net cash used in investing activities was ₹ (260.38) Lakhs, which primarily comprised of cash used for the purchase of property, plant, and equipment of ₹ 270.66 Lakhs, Sale of property, plant, and equipment of ₹ 2.51 Lakhs, receipt of interest income of 7.77 lakhs.

4. In FY 2021, net cash used in investing activities was ₹ (284.19) Lakhs, which primarily comprised of cash used for the purchase of property, plant, and equipment of ₹ 295.19 Lakhs, Sale of property, plant, and equipment of ₹ 3.16 Lakhs, receipt of interest income of 7.84 lakhs.

#### ***Cash Flows from Financing Activities***

1. For the Stub period ended September 30, 2023, net cash generated from financing activities was ₹ 148.60 Lakhs, which predominantly comprised of Increase in borrowings of 295.65 Lakhs, proceeds from rights issue of equity shares of 36.83 lakhs, and payment of finance cost of ₹ 183.88 Lakhs.
2. In FY 2023, net cash generated from financing activities was ₹ 591.72 Lakhs, which predominantly comprised of Increase in borrowings of 856.17 Lakhs, and payment of finance cost of ₹ 264.45 Lakhs.
3. In FY 2022, net cash generated from financing activities was ₹(259.10) Lakhs, which predominantly comprised of repayment of borrowings of 21.68 Lakhs, and payment of finance cost of ₹ 237.42 Lakhs..
4. In FY 2021, net cash generated from financing activities was ₹309.14 Lakhs, which predominantly comprised of increase in borrowings of 508.67 Lakhs, and payment of finance cost of ₹ 199.53 Lakhs.

#### **OTHER MATTERS**

##### **1. Unusual or infrequent events or transactions**

Except as described in this Draft Red Herring 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 139 and 148 respectively of this Draft Red Herring 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 27 and 148 respectively of this Draft Red Herring 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 27 of this Draft Red Herring 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**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitors who have been discussed in section titles “Business Overview” beginning on page no. 83 of this Draft Red Herring Prospectus.

##### **6. To extend to which business is seasonal**

Our Company is engaged in the business of Business of manufacturing a comprehensive range of electrical & electronic equipments being used for power conditioning and business of our company is not seasonal

##### **7. Any significant dependence on a single or few suppliers or customers**

Our top five customers contributes 11.96%, 10.00%, 15.72% and 12.64% of our total sales for the year/period ended on September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 respectively.

## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding: (a) criminal proceedings; (b) actions by statutory or regulatory authorities; (c) claims relating to direct and indirect taxes; (d) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Company, the Directors, the Promoters, in the last three Fiscals, including outstanding action; or (e) Material Litigation (as defined below); involving our Company, its Directors, the Promoters ("**Relevant Parties**").*

*Our Board, in its meeting held on October 30, 2023, determined that outstanding legal proceedings involving the Relevant Parties will be considered as material litigation ("**Material Litigation**") (i) if the monetary amount claim by or against the entity or person in any such pending proceeding excess of Rs. 5,00,000 or (ii) pending proceedings involving the above mentioned persons whose outcome may have a bearing on the business, operations or prospects or reputation of our Company.*

*It is clarified that for the above purposes, pre-litigation notices received by Relevant Parties, unless otherwise decided by our Board, are not evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum.*

*Except as stated in this Section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors by way of its resolution dated October 30, 2023. In terms of the materiality policy, creditors of our Company to whom amounts outstanding dues to any creditor of our Company exceeding 5% of trade payables as per the last Restated Financial Statements of our Company disclosed in this Draft Red Herring Prospectus, would be considered as material creditors. The trade payables of our Company as on September 30, 2023 were ₹2353.06 Lakhs. Details of outstanding dues to micro, small and medium enterprises and other creditors separately giving details of number of cases and amount involved, shall be uploaded and disclosed on the website of the Company as required under the SEBI ICDR Regulations.*

*For outstanding dues to any micro, small or medium enterprise, the disclosure shall be based on information available with our Company regarding the status of the creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder, as amended, as has been relied upon by the Statutory Auditors.*

*Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.*

*All terms defined in a particular litigation disclosure pertains to that litigation only.*

#### **I. Litigation involving our Company.**

##### **A. Litigation filed against our Company.**

#### **1. Criminal proceedings**

Nil

#### **2. Outstanding actions by regulatory and statutory authorities**

Nil

#### **3. Material civil proceedings**

##### **i. *Dynemic Fine Paper Mill Private Limited vs. Servokon Systems Limited and ors. – CC/223/2022***

Dynemic Fine Paper Mill Private Limited ("**Complainant**") filed a Complaint case bearing number 223 of 2022 ("**Complaint**") under section 35 of Consumer Protection Act, 2019 before the Hon'ble District Consumer Dispute Redressal Forum, Kota ("**Forum**") against Servokon Systems Limited and others ("**Respondent**"). The Complainant contends that they had purchased a 2500KVA distribution transformer on February 17, 2020 from the Respondent. However, due some technical issues the said transformer was not functioning to its full capacity and was returned to the Respondent for their inspection. The Respondent contends that they offered to provide a replacement and vide emails requested the Complainant to visit the Respondent's factory for inspection but the Complainant kept delaying their visit. The Respondent further contends that after long delay the Complainant picked up the new transformer in May 2021. The Complainant prays that the Forum may pass an order directing the Respondent to pay Rs. 24,89,800/- towards the cost of distribution transformer and Rs. 15,00,000 towards mental agony along with interest at the rate of 18% per annum. The Complaint is currently pending before the Forum and the next date of hearing is February 29, 2024.

##### **ii. *Abhinav Exotica Resort Private Limited vs. Alka Associates and Servokon Systems Limited – CC/89/2022***

Abhinav Exotica Resort Private Limited ("**Complainant**") filed a Complaint case bearing number 89 of 2022 ("**Complaint**") under section 38(2) of the Consumer Protection Act, 2019 before the Hon'ble District Consumer Dispute Redressal Forum, Muzaffarnagar ("**Forum**") against Alka Associates and Servokon Systems Limited ("**Respondents**"). The Complainant contends that the Respondents had supplied them one Transformer with built in HT AVR 500 KVA on December 31, 2018. However, after using the said transformer for more than one year the Complainant face some technical issues. The Respondent contends that in the meanwhile the Complainant was provided with a replacement 250KVA Transformer. The Complainant further requested for built in HT AVR 500 KVA and the same was provided by the Respondent. However, the Complainant

filed this Complaint and prays that the Forum may pass an order for Rs. 13,21,600/- towards the cost of transformer, Rs. 33,58,260 towards mental agony and Rs. 15,000/- towards legal cost. The Complaint is currently pending before the Forum.

B. *Litigation filed by our Company.*

1. **Criminal proceedings**

i. ***Servokon Systems Limited vs. Industrial Power Products – CC 451/2023***

Servokon Systems Limited ("**Complainant**") filed a complaint against Industrial Power Products ("**Accused**") under section 138, 141 and 142 of the Negotiable Instruments Act, 1881 bearing number 451/2023 in the in the Hon'ble Chief Metropolitan Magistrates Court, Karkardooma, Delhi.

The Complainant was approached by the Accused to become a dealer/distributor of the Complainant to which the Complainant agreed. The Accused demanded for different products from time to time for dealership to which the Complainant obliged. The Complainant raised various invoices aggregating to Rs.1,77,223 against the Accused for which the Accused issued a cheque for Rs.1,77,000 in the name of the Complainant. However, on presentation, the cheque was returned with the remark "*Erstwhile Syndicate Bank Cheques stopped in Clearing*". Thereafter, the Complainant issued a legal notice to the Accused under section 138 of the Negotiable Instruments Act, 1881. The legal notice was returned with the remark "addressee left without notice". Hence, the Complainant filed this complaint seeking punishment for the Accused under section 138 and 142 of the Negotiable Instruments Act, 1881 along with directions to the Accused for the payment of Rs 1,77,000 against the dishonored cheque along with compensation. The matter is currently pending and the next date of hearing is July 15, 2024.

ii. ***Servokon Systems Limited vs. Ravinder Kumar Sunil Kumar and Ors. – CC 2030/2022***

Servokon Systems Limited ("**Complainant**") filed a complaint against Ravindra Kumar Sunil Kumar, Ravinder Kumar, Sunil Kumar (collectively, "**Accused**") under section 138, 139, 141 and 142 of the Negotiable Instruments Act, 1881 bearing number 2030/2022 in the in the Hon'ble Chief Metropolitan Magistrates Court, Karkardooma, Delhi.

The Complainant was approached by the accused to become a dealer/distributor of the Complainant to which the Complainant agreed. The accused demanded for different products from time to time for dealership to which the complainant obliged. The Complainant raised invoice amounting to Rs.7,28,066 against the Accused for which the Accused issued a cheque. However, on presentation, the cheque was returned with the remark "*Payment stopped by drawer*". Thereafter, the Complainant issued a legal notice to the Accused under section 138 of the Negotiable Instruments Act, 1881. The Accused replied to the notice and acknowledge that the goods were supplied. However, the Accused failed to make payments to the complainant. Hence, the Complainant filed this complaint seeking punishment for the Accused under section 138 and 142 of the Negotiable Instruments Act, 1881 along with directions to the Accused for the payment of Rs.7,28,066 against the dishonored cheque along with compensation. The matter is currently pending and the next date of hearing is April 13, 2024.

iii. ***Servokon Systems Limited vs. K.B. Contractors Private Limited and Ors. – CT 45484/2016***

Servokon Systems Limited ("**Servokon**") filed a complaint bearing number 45484/2016 against K.B. Contractors Private Limited and its Managing Director Rajeev Khanna (collectively, "**Accused**") before the Hon'ble Chief Metropolitan Magistrate, Karkardooma Courts, Delhi.

For details, see "*Outstanding Litigation and Material Developments - Servokon Systems Limited vs. K.B. Contractors Private Limited and Ors. - Civil Suit No. 266 of 2017*".

Servokon has filed this complaint seeking punishment for the Accused under section 138 and 142 of the Negotiable Instruments Act, 1881 along with directions to the Accused for the payment of Rs 13,94,000 against the dishonored cheque along with compensation. The matter is currently pending and the next date of hearing is February 3, 2024.

iv. ***Servokon Systems Limited vs. M/s Siddhi Vinayak Enterprises – CC 306/2023***

Servokon Systems Limited ("**Servokon**") filed a complaint bearing number 306/2023 against M/s Siddhi Vinayak Enterprises ("**Accused**") before the Hon'ble Chief Metropolitan Magistrate, Karkardooma Courts, Delhi.

For details, see "*Outstanding Litigation and Material Developments - Servokon Systems Limited vs. M/s Siddhi Vinayak Enterprises – CS (Comm.) 273/2023*".

Servokon has filed this complaint seeking punishment for the Accused under section 138 and 142 of the Negotiable Instruments Act, 1881 along with directions to the Accused for the payment of Rs. 13,70,000 against the dishonored cheque along with compensation. The matter is currently pending and the next date of hearing is June 3, 2024.

v. ***Servokon Systems Limited vs. Nitin Enterprises and Nitin Goyal – CC 2596/2022***

Servokon Systems Limited ("**Complainant**") filed a complaint against Nitin Enterprises and Nitin Goyal (collectively, "**Accused**") under section 138 of the Negotiable Instruments Act, 1881 bearing number 2596/2022 in the in the Hon'ble Chief Metropolitan Magistrates Court, Karkardooma, Delhi.

The Complainant was approached by the Accused to become a dealer/distributor of the Complainant to which the Complainant agreed. The Accused demanded for different products from time to time for dealership to which the Complainant obliged. The

Complainant raised invoice amounting to Rs.6,59,000 against the Accused for which the Accused issued a cheque. However, on presentation, the cheque was returned with the remark "Other Reasons". Thereafter, the Complainant issued a legal notice to the Accused under section 138 of the Negotiable Instruments Act, 1881. The Accused received the noticed but did not reply to the same and also failed to make payments to the Complainant. Hence, the Complainant filed this complaint praying that the accused be named, tried and punished in accordance with law. The matter is currently pending and the next date of hearing is March 3, 2024.

## 2. Material civil proceedings

### i. *Servokon Systems Limited vs. K.B. Contractors Private Limited and Ors. - Civil Suit No. 266 of 2017*

Servokon Systems Limited ("**Servokon**") filed a suit bearing number 266 of 2017 against K.B. Contractors Private Limited and its Managing Director Rajeev Khanna (collectively, "**Defendants**") before the Hon'ble District and Sessions Court of Dwarka at Delhi.

The Defendants placed a purchase order with Servokon for one piece 1250 KVA HT automatic voltage regulator amounting to Rs.17,34,000. The Defendants had to pay 10% in advance, 10% on drawing approval by MES Department and rest 80% against 30 day PDC from dispatch/invoice. The Defendants made a payment of Rs 3,40,000 out of the total due and issued a cheque in favour of Servokon for an amount of Rs 13,94,000. Additionally, the Defendants also failed to furnish "C-Form" to Servokon and thus the Defendants were also liable to pay Rs.1,78,500 as additional sales tax charges at the rate of 10.5%. However, when presented, the cheque was dishonored and returned back with the remark "Payment stopped by drawee". Later, Servokon issued a notice against the defendants under section 138 of the Negotiable Instruments Act, 1881. Despite the legal notice, the Defendants failed to make the payment and hence, Servokon filed this suit for recovery of the principal sum along with sales tax @ 10.5% amounting to Rs 20,93,783 (inclusive of interest). The matter is currently pending and the next date of hearing is on March 14, 2024.

### ii. *Servokon Systems Limited vs. M/s Siddhi Vinayak Enterprises – CS (Comm.) 273/2023*

Servokon Systems Limited ("**Servokon**") filed a complaint against M/s Siddhi Vinayak Enterprises ("**Defendant**") under section 26 of the Code of Civil Procedure, 1908 bearing number 273/2023 in the in the Hon'ble District and Session Judge, Karkardooma, Delhi.

Servokon was approached by the Defendant to become a dealer/distributor of Servokon to which Servokon agreed. The Defendant asked for different products from time to time for dealership to which Servokon obliged. Servokon raised various invoices amounting to Rs.80,32,866 against which the Defendant made payment amounting to Rs.61,06,535 while Rs. 19,26,331 was outstanding. The Defendant further sought cancellation of invoices amounting to Rs.6,78,101 with respect to returned goods. Servokon, having already paid GST amounting to Rs.1,22,058 agreed to the same on the condition that the Defendant shall bore the loss of Rs.1,22,058 on account of payment of GST to which the Defendant agreed. This resulted in the total outstanding amount of the Defendant to stand at Rs.13,70,288. The Defendant issued a cheque amounting to Rs.13,70,000 towards partial payment of the outstanding amount. However, on presentation, the cheque was returned with the remark "Account is a Dormant Account". Thereafter, Servokon issued a legal notice to the Accused and also filed a complaint against the Defendant under section 138 of the Negotiable Instruments Act, 1881. Servokon also filed this suit for recovery of Rs.25,73,138 (principle amounting to Rs.13,70,288 along with interest at the rate of 24% p.a.). The matter is currently pending and the next date of hearing is on February 16, 2024.

## C. Tax proceedings

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in Rs. Lakhs)
Direct Tax	20	61.81
Indirect Tax	2	4.86
<b>Total</b>	<b>22</b>	<b>66.67</b>

## II. Litigation involving our directors (other than Promoters)

### A. *Litigation filed against our Directors (other than Promoters)*

#### 1. Criminal proceedings

Nil

#### 2. Outstanding actions by regulatory and statutory authorities

Nil

#### 3. Material civil proceedings

Nil

### B. *Litigation filed by our Directors (other than Promoters)*

#### 1. Criminal proceedings

Nil



## 2. Material civil proceedings

Nil

### A. Tax proceedings

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in Rs. Lakhs)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>

## III. Litigation involving our Promoters

### A. Litigation filed against our Promoters

#### 1. Criminal proceedings

Nil

#### 2. Outstanding actions by regulatory and statutory authorities

Nil

#### 3. Material civil proceedings

Nil

### B. Litigation filed by our Promoters

#### 1. Criminal proceedings

##### i. *Fatima Begum vs. Asra Enterprise and Anr. – CC 1348/2019*

Fatima Begum ("**Complainant**") filed a complaint against Asra Enterprise ("**Asra**") and Another ("**Accused**") under section 138, 139, 141 and 142 of Negotiable Instruments Act, 1881 bearing number 1348/2019 in the Hon'ble Chief Metropolitan Magistrates Court, Karkardooma, Delhi. Asra is a proprietary firm, who is engaged in the business of arranging Hajj packages to Mecca and Madina. The Complainant made an advanced payment to the Accused for arranging a trip for the Complainant. However, the accused failed to arrange the trip.

The proprietor of Asra, the other Accused in the case, issued a cheque to the Complainant amounting to Rs 4,50,000. However, when presented, the cheque could not be encashed and was returned with the remark "*Funds Insufficient*". Later, the Complainant issued legal notice to the accused. However, the Accused requested the Complainant to not proceed with any legal proceeding and issued another cheque to the Complainant. When presented, the cheque was also dishonored and returned back with the remarks "*Funds Insufficient*". Thereafter, the Complainant issued another legal notice under section 138 of the Negotiable Instruments Act 1881, to the accused. Despite the legal notice, the Accused failed to make the payment and hence, the Complainant filed this complaint seeking punishment for the Accused under section 138, 139, 141 and 142 of the Negotiable Instruments Act, 1881 along with directions to the Accused for the payment of Rs 4,50,000 against the dishonored cheque along with compensation. The matter is currently pending and the next date of hearing is February 12, 2024.

## 2. Material civil proceedings

Nil

### C. Tax proceedings

Particulars	Number of cases	Aggregate amount involved to the extent ascertainable (in Rs. Lakhs)
Direct Tax	5	0.71
Indirect Tax	Nil	Nil
<b>Total</b>	<b>5</b>	<b>0.71</b>

## Outstanding dues to creditors

As per the Restated Financial Statements, 10% of our trade payables as at September 30, 2023, was Rs. 235.31 lakhs and accordingly, creditors to whom outstanding dues exceed Rs. 235.31 lakhs have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at September 30, 2023, by our Company, are set out below and the disclosure of the same is available on the website of our Company at [www.servokon.com](http://www.servokon.com).

Type of creditors	Number of creditors	Amount involved
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<i>(in Rs. Lakhs)</i>		
Material creditors	Nil	Nil
Micro, Small and Medium Enterprises	Nil	Nil
Other creditors	261	2353.06
<b>Total</b>	<b>261</b>	<b>2353.06</b>

#### **Material Developments**

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Developments after September 30, 2023*" on beginning on page 148 of this Draft Red Herring Prospectus, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Issue and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. Unless otherwise stated herein and in the section "**Risk Factors**" on page 27, these material approvals are valid as of the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which we operate, see "**Key Regulations and Policies**" on page 107.

We have also set out below, (i) material approvals or renewals applied for but not received; (ii) material approvals expired and renewal yet to be applied for; and (iii) material approvals required but not obtained or applied for, as on the date of this this Draft Red Herring Prospectus.

Please note that since our Company has recently changed its name and is converted into a public limited company, the below detailed licenses, approval and certification are in the erstwhile name of the Company and the Company undertakes to get such licenses, approval and certification in its present name.

### I. Material approvals obtained in relation to the Issue

- The Board of Directors has, pursuant to a resolution passed at its meeting held on October 5, 2023, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62 of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
- The shareholders of the Company have, pursuant to a special resolution passed in the shareholders meeting held on October 30, 2023, authorized the Issue under Section 62 of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
- The Company has obtained the in-principle listing approval from the NSE Emerge, dated [●].

### II. Material approvals obtained in relation to our business and operations

Our Company have obtained the following material approvals to carry on our business and operations. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

#### A. Incorporation details of our Company

- Our Company was originally incorporated as a private limited company in the name of "Servokon Systems Private Limited" vide Certificate of Incorporation dated May 23, 1995, issued by the Registrar of Companies, Delhi and Haryana.
- Fresh Certificate of Incorporation dated March 28, 2006 issued to our Company by the RoC, pursuant to the conversion of our Company from private limited to public limited and the ensuing change in the name of our Company from "Servokon Systems Private Limited" to "Servokon Systems Limited".
- The CIN of our Company is U32301DL1995PLC068876.

#### B. Tax related approvals obtained by our Company

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Permanent Account Number	AABCS2570D	Income Tax Department	May 23, 1995	Valid till cancelled
2.	Tax Deduction Account Number (TAN)	DELS21427A	Income Tax Department	May 8, 2004	Valid till cancelled
3.	GST Registration Certificate (Delhi)	07AABCS2570D1ZO	Goods and Services Tax Department	June 2, 2023	Valid till cancelled
4.	GST Registration Certificate (Uttar Pradesh)	09AABCS2570D1ZK	Goods and Services Tax Department	July 7, 2023	Valid till cancelled
5.	GST Registration Certificate (Punjab)	03AABCS2570D1ZW	Goods and Services Tax Department	January 11, 2023	Valid till cancelled
6.	GST Registration Certificate (Bihar)	10AABCS2570D1Z1	Goods and Services Tax Department	January 14, 2023	Valid till cancelled
7.	GST Registration Certificate (Kanpur)	09AABCS2570D2ZJ	Goods and Services Tax Department	October 12, 2019	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration / License No.	Issuing Authority	Date of Issue	Date of Expiry
8.	GST Registration Certificate (Jammu and Kashmir)	01AABCS2570D1Z0	Goods and Services Tax Department	November 8, 2021	Valid till cancelled

**C. Regulatory approvals for our Company:**

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1.	Provident Fund Code Number	MRMRT1049012	Employees' Provident Fund Organisation, Ministry of Labour and Employment, Government of India	December 12, 2014	Valid till cancelled
2.	ESIC – Registration Code	67000561520000602	Employees' State Insurance Corporation, Ministry of Labour and Employment, Government of India	November 24, 2014	Valid till cancelled
3.	Certificate of Importer – Exporter Code	0503080403	Ministry of Commerce and Industry	March 8, 2004	Valid till cancelled
4.	Registration Certificate ISO 14001:2015*	305021092934E	Quality Research Organisation	September 28, 2023	September 28, 2024
5.	Registration Certificate ISO 9001:2015*	305021092933Q	Quality Research Organisation	September 28, 2023	September 28, 2024
6.	Registration-cum- Membership Certificate EEPC INDIA (Formerly Engineering Export Promotion Council)	101/M34305/2021-22	EEPC India	January 22, 2024	March 31, 2024
7.	Legal Entity Identifier Certificate	984500BA67478A1E0572	LEI Register India	September 28, 2021	December 28, 2024
8.	Udyam Aadhaar Registration Certificate (Delhi)	UDYAM-DL-02-0003162	Ministry of Micro, Small and Medium Enterprises, Government of India	September 28, 2020	Valid till cancelled
9.	Udyam Aadhaar Registration Certificate (Uttar Pradesh)	UDYAM-UP-29-0065626	Ministry of Micro, Small and Medium Enterprises, Government of India	March 12, 2022	Valid till cancelled
10.	Factory License	UPFA09002370	Labour Department, Uttar Pradesh	January 22, 2024	December 31, 2024
11.	Certificate of Non-polluting units	1883/GUK/GABAD/2014-15	Deputy Commissioner of Industries, District Industries, Ghaziabad	November 26, 2014	Valid till cancelled

Sr. No.	Nature of Registration/ License	Registration/License/Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
12.	License to Electrical Contracts – Delhi	50590000004523	Labour Department, Delhi	May 2, 2022	May 1, 2047
13.	Certificate of Compliance	CE/21N819	Optimum Certifications Inc.	March 10, 2021	March 9 2024
14.	ISO Certificate 9001:2015	305021092933	Quality Research Organization	September 29, 2021	September 28, 2024
15.	ISO Certificate 14001:2015	305021092934E	Quality Research Organization	September 29, 2021	September 28, 2024
16.	Bureau of Indian Standards Certification	CM/L- 8700073718	Bureau of Indian Standards	February 21, 2023	February 21, 2024
17.	Test Certificate for 11/0.415 KV, 1250 KVA Distribution Transformer	NTH(NR)/EL(HV)/2021/0031	National Test House (NR), Government of India	May 25, 2021	Valid till cancelled
18.	Test Report for 5 MVA, 33/11 kV, Power Transformer	CPRINOAHV23T0546	Central Power Research Institute	October 31, 2023	Valid till cancelled
19.	Test Report for 16 MVA, 33/11kV Power Transformer	CPRIBLSTNC22T0018	Central Power Research Institute	February 28, 2022	Valid till cancelled
20.	Test Report for 16 MVA, 33/11kV, 3-ph, Power Transformer	CPRIBPLSTNC22T0030	Central Power Research Institute	February 28, 2022	Valid till cancelled
21.	Test Certificate for 33/11 KV, 16 MVA, Power Transformer	NTH(NR)/EL(HV)/2022/0015A	National Test House (NR), Government	March 10, 2022	Valid till cancelled
22.	Test Report for 16 MVA, 33KV/11KV Three Phase Transformer	CPRIBLRHPL22T0008	Central Power Research Institute	February 22, 2022	Valid till cancelled
23.	Test Report for 1600 KVA, 33/0.433 KV, Three Phase, Distribution Transformer (Energy Efficiency Level-2)	CPRIBPLSTNA22T0216	Central Power Research Institute	September 2, 2022	Valid till cancelled
24.	Test Report for 1500kVA, 11/9.5kV Transformer	2014/STN-1/263	Central Power Research Institute	June 23, 2014	Valid till cancelled

*\*For the purpose of manufacturing & export of electrical & electronic products, transformers voltage stabilizers & power conditioning products & home appliances.*

### III. Material approvals or renewals for which applications are currently pending before relevant authorities

Nil

### IV. Material approvals expired and renewal yet to be applied for


Nil

### V. Material approvals required but not obtained or applied for


Nil

## VI. Intellectual Property

As on the date of this Draft Red Herring Prospectus, our Company has registered the following trademark with the Registrar of Trademarks under the Trademarks Act, 1999:

Serial No.	Trademark	Registration No.	Class	Date of Registration
1.	“SERVOKON”	1276890	9	April 5, 2004
2.		3768643	9	March 2, 2018
3.	“SERVOKON”	4205808	9	June 13, 2019
4.	“SERVOKON”	4205667	11	June 13, 2019
5.	“SERVOKON”	4205803	11	June 13, 2019
6.	“SERVOKON”	5634626	21	October 3, 2022
7.	“SERVOKON”	5634636	27	October 3, 2022
8.	“SERVOKON”	5634637	32	October 3, 2022
9.	“SERVOKON”	5634627	41	October 3, 2022

Pending Intellectual property related approvals

Date of Application	Application No.	Class of Registration	Trademark
October 3, 2022	5634447	6	“SERVOKON”
June 13, 2019	4205810*	7	“SERVOKON”
February 4, 2022	5793309*	9	
November 8, 2022	5673665	9	“VALLEYKON”
October 3, 2022	5634448	12	“SERVOKON”
October 3, 2022	5634686	16	“SERVOKON”
October 3, 2022	5634987	18	“SERVOKON”
October 3, 2022	5634625*	20	“SERVOKON”
October 3, 2022	5634449*	25	“SERVOKON”
October 3, 2022	5634685	37	“SERVOKON”

\*Trademark has been objected

For risk associated with our intellectual property please see, “**Risk Factors**” on page 27 of this Draft Red Herring Prospectus.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Issue has been authorized by a resolution of our Board dated October 05, 2023, and the Issue has been authorized by a special resolution of our Shareholders, dated October 30, 2023.

This Draft Red Herring Prospectus has been approved by our Board pursuant to its resolution passed on January 24, 2024.

Our Company has received in-principle approvals from NSE Emerge for the listing of the Equity Shares pursuant to its letter dated [●].

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, members of the Promoter group and our Directors have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/ court.

Our Promoters and Directors are not Directors or Promoters of any other company which is debarred from accessing the capital market under any order or direction passed by SEBI or any other authorities.

Our Company, Promoters or Directors have neither been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.

Our Promoters and our Directors have not been declared as Fugitive Economic Offenders under Section 12 of 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 Promoters, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter 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 159 of the Draft Red Herring Prospectus.

### Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Directors, our Promoter and members of Promoter Group are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

### Eligibility for the Issue

Our Company is not ineligible in terms of Regulations 228 of SEBI ICDR Regulations for this Issue as:

- Neither our Company, nor our 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, Promoter Group nor our directors, are Wilful Defaulters or a fraudulent borrower.
- Our Company is eligible for the Issue in accordance with Regulation 229(1) and other provisions of Chapter IX of the SEBI (ICDR) Regulations 2018, as we are an Issuer whose post issue face value capital is less than or equal to ₹10 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:

- i. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size.
- ii. 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, our Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

- iii. 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 Book Running Lead Manager immediately upon filing of the Issue 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 Issue document.
- Further, in terms of Regulation 246(3) of the SEBI (ICDR) Regulations, 2018 the Book Running 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 Book Running 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.
- iv. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement dated September 02, 2023 with the Book Running 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, 1956 in India.

- ***Track Record***

The Company should have a track record of at least 3 years.

Our Company was incorporated on May 23, 1995 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by Registrar of Companies, N.C.T of Delhi & Haryana. 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 our Company (face value) shall not be more than Rs. 25 crores***

The post issue paid up capital of our Company will be ₹ [●] lakhs. So, our 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 our Company is ₹ 1104.48 lakhs as on March 31, 2023.

- ***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.

(₹ in Lakhs)

Particulars	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Total Income	6,583.76	12,372.10	8,745.67	5,404.57
Operating Profit (earnings before interest, depreciation and tax)	619.91	762.17	407.91	355.48

- 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 our Company
- Our Company has a website: <https://www.servokon.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 our Promoters.



- There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company and Promoters during the past three years.
- There are no litigations record against our Company, Promoters except disclosed on page 159 in section “*Outstanding Litigation and Other Material Developments*”.
- There are no criminal cases/investigation/offences filed against the director of our 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 RED HERRING 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 RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MERCHANT BANKER, GYR CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN ON FORMITY 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 OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MERCHANT BANKER, GYR CAPITAL ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 24, 2024 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 RED HERRING 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 BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC including in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the RoC including in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act.

#### **Disclaimer from our Company and the Book Running Lead Manager**

Our Company, our Promoters, our Directors and the Book Running Lead Manager accepts no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, <https://www.servokon.com/> would be doing so at his or her own risk.

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement entered between the Book Running Lead Manager and our Company on January 09, 2024 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 Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere. Neither our Company nor any member of the Syndicate shall be liable to the Bidders for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise; the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or noncompliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

The Book Running 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**

This 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 authorized to invest in equity shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), trusts under the applicable trust laws and who are authorized under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act 2013, state industrial development corporations, provident funds (subject to applicable law), 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, systemically important NBFCs registered with the RBI, venture capital funds, permitted insurance companies and pension funds, permitted non-residents including Eligible NRIs, AIFs, FPIs registered with SEBI and QIBs. This Draft Red Herring Prospectus does not, however, constitute an issue to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) at Delhi, 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 Red Herring 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 Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring 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.**

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 Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Prospectus prior to the filing with the RoC.

## **Filing**

This Draft Red Herring 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/intermediary/index.html>

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, Delhi - 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019

## **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 Issue 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 such period from the issue closing date as may be required under the applicable laws.

## **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) Book Running 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 consents will be taken while registering the Red Herring Prospectus with RoC.

### **Experts**

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

Our Company has received written consent dated January 22, 2024 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 Red Herring 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 January 22, 2024 on our restated financial information; and (ii) its report dated January 22, 2024 on the statement of special tax benefits in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **Particulars regarding Public or Rights Issues during the last five (5) years and performance vis-à-vis objects**

Our Company has not made any previous public during the last five (5) years preceding the date of this Draft Red Herring Prospectus. Further, for details in relation to right issue made by our Company during the five years preceding the date of this Draft Red Herring Prospectus, please refer to section titled “*Capital Structure*” on page 53 of this Draft Red Herring Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled “*Capital Structure*” beginning on page 53 of this Draft Red Herring 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.

### **Performance vis-à-vis objects –Public/ rights issue of the listed subsidiaries/listed Promoter of our Company**

As on the date of this Draft Red Herring Prospectus, our Company does not have any listed subsidiary or listed promoters.

### **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 Red Herring Prospectus.

### **Outstanding Convertible Instruments**

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

1. Price information of past issues handled by GYR Capital Advisors Private Limited

Sr. No.	Issue Name	Issue size (₹ In Cr.)	Issue Price (₹)	Listing date	Opening price on listing date	+/- % change in Price on closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing*		+/- % change in Price on closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing*	
1.	Naapbooks Limited	3.99	74	15.09.2021	77.00	-16.21%	4.40%	-29.73%	-1.03%	-18.905%	-3.809%
2.	Asccensive Educare Limited	2.25	26	12.01.2022	27.60	0.00%	-4.90%	-30.00%	-3.57%	14.61%-	-11.05%
3.	Achyut Health Care Limited	3.60	20	30.03.2022	21.15	0.00%	-1.98%	4.75%-	-9.41%	-9.75%-	-2.62%
4.	Dhyaani Tile and Marblez Limited	2.45	51	12.04.2022	52.25	19.61%	-7.66%	82.35%-	-7.13%	11.76%-	-0.99%
5.	Veekayem Fashion and Apparels Limited	4.43	28	22.08.2022	49.00	56.96%	1.86%	22.67%	3.82%	0.17%	5.25%
6.	JFL Life Sciences Limited	18.16	61	08.09.2022	70.00	-29.01%	-2.72%	-38.52%	4.74%	-40.98%	-1.17%
7.	Sabar Flex India Limited	4.47	11	21.09.2022	21.00	56.81%	-0.87%	44.55%	3.56%	32.27%	-0.72%
8.	Mafia Trends Limited	3.59	28	06.10.2022	32.65	-8.57%	5.78%	-26.78%	4.01%	-52.82%	2.51%
9.	Pritika Engineering Components Limited	9.42	29	08.12.2022	42.20	35.69%	-2.14%	-4.59%	8.62%	8.62%	0.55%
10.	Uma Converter Limited	18.414	33	29.12.2022	34.25	21.21%	-0.40%	-6.10%	-10.30%	-12.88%	3.44%
11.	Anlon Technology Solutions Limited	15	100	10.01.2023	251.1	84.40%	-0.12%	-1.61%	75.02%	163.95%	7.91%
12.	Agarwal Float Glass India Limited	9.2	42	23.02.2023	44.00	-9.52%	-3.00%	-14.29%	4.42%	-13.09%	10.74%
13.	Mcon Rasayan India Limited	6.84	40	20.03.2023	48.00	87.5%	-3.70%	157.13%	10.76%	230.25%	19.63%
14.	Essen Specility Films Limited	66.33	107	06.07.2023	140.00	37.38%	1.37%	21%	0.31%	-	-
15.	Srivari Spices and Foods Limited	8.99	42	18.08.2023	101.50	199.17%	4.38%	291.78%	2.35%	-	-

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*	
16.	Basilic Fly Studio Limited	66.35	97	11.09.2023	271.00	194.07%	-1.53%	194.07%	-1.53%	-	-
17.	Maitreya Medicare Limited	14.89	82	07.11.2023	162.55	-	-	-	-	-	-
18.	Trident Techlabs Limited	16.03	35	29.12.2023	98.15	-	-	-	-	-	-
19.	Kay Cee energy & Infra Limited	15.93	54	05.01.2024	252.00	-	-	-	-	-	-
20.	Maxposure Limited	20.26	33	January 23, 2024	145.00	-	-	-	-	-	-

\* Companies have been listed on July 06, 2023, August 18, 2023, Sept 11, 2023, November 07, 2023, December 29, 2023, January 05, 2024 and January 23, 2024 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%
2021-22	03	9.84	-	1	3	-	-	-	-	-	2	-	-	1
2022-23	10	124.78	-	1	2	4	1	2	1	1	-	-	1	2
2023-24	07	208.48	-	-	-	1	1	-	-	-	--	-	-	-

\* Companies have been listed on July 06, 2023, August 18, 2023, Sept 11, 2023, November 07, 2023, December 29, 2023, January 05, 2024 and January 23, 2024 hence not applicable

#### Break -up of past issues handled by GYR Capital Advisors Private Limited:

Financial Year	No. of SME IPOs	No. of Main Board IPOs
2021-2022	3	0
2022-2023	10	0
2023-2024	07	0

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

For details regarding the track record of the Book Running Lead Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the website of the Book Running Lead Manager as set forth in the table below:

Sr. No.	Name of the Book Running Lead Manager	Website
1	GYR Capital Advisors Private Limited	<a href="http://www.gyrcapitaladvisors.com">www.gyrcapitaladvisors.com</a>

## **Track record of past issues handled by the Book Running Lead Manager**

For details regarding the track record of the Book Running 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 Book Running Lead Manager at [www.gyrcapitaladvisors.com](http://www.gyrcapitaladvisors.com)

## **Stock market data of the Equity Shares**

As the Issue is the initial public offering of the Equity Shares, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

## **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 Red Herring Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Red Herring 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 January 10, 2024. For further details on the Stakeholders Relationship Committee, please refer to section titled “*Our Management*” beginning on page 115 of this Draft Red Herring Prospectus.

**Our Company has appointed Mr. Piyush Sudhir Kale- 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. Piyush Sudhir Kale  
Company Secretary & Compliance officer  
Servokon Systems Limited  
C-13, Radhu Palace Road Laxmi Nagar, Delhi, India, 110092  
**Telephone:** +91 9873630786  
**Email:** [compliance@servokon.com](mailto:compliance@servokon.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 08, 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 Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

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

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

## SECTION VIII: ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications, and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, NSE, ROC, RBI and / or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).*

*Further, vide the said circular, Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

#### Authority for the Issue

The present Public Issue of upto 30,00,000 Equity shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on October 05, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on October 30, 2023 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 right to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to Section titled ***"Description of Equity Shares and terms of the Articles of Association"*** beginning on Page No. 215 of the Draft Red Herring Prospectus.

#### Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to chapter titled ***"Dividend Policy"*** beginning on Page No. 138 of the Draft Red Herring Prospectus.

#### Face Value, Issue Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 10/- and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share (**"Floor Price"**) and at the higher end of the Price Band is ₹ [●] per Equity Share (**"Cap Price"**).

The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLM and advertised in all editions of an English national daily newspaper, all editions of a Hindi national daily newspaper, each with wide circulation, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchange for the purpose of uploading on its websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled ***"Basis of Issue Price"*** beginning on page 70 of this Draft Red Herring Prospectus.

#### Compliance with SEBI (ICDR) Regulations



Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

### **Minimum Application Value, Market Lot and Trading Lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1,00,000/- (Rupees One Lakh) per application.

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated March 10, 2023.
- Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated January 10, 2024.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of an issuer shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the National Stock Exchange of India Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders. In case, the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Jurisdiction**

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in Delhi, India.

The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, —U.S. personal (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

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

### Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agent of our Company.

In accordance with Section 72 of the Companies Act, 2013, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoter's minimum contribution as provided under the chapter titled "**Capital Structure**" on page 53 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer chapter titled "**Description of Equity Shares and terms of the articles of association**" on page 215 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

### Withdrawal of the Issue

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment (ii) the final RoC approval of the Red Herring Prospectus after it is filed with the RoC. If our Company in consultation with BRLM withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus/Red Herring Prospectus with Stock Exchange.

### ISSUE PROGRAM

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

\*In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the March 2021 Circular, as amended pursuant to June 2021 Circular shall be deemed to be incorporated in the agreements to be entered into by and between our Company and the relevant intermediaries, to the extent applicable.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company the BRLM.

While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchange are taken within such period of the Bid / Offer Closing Date, as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the BRLM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchange. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

In terms of the UPI Circulars, in relation to the Issue, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid / Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

## Submission of Bids

### Bid/Issue Period (except the Bid/Issue Closing Date)

Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”))

### Bid/Issue Closing Date

Submission and Revision in Bids: Only between 10.00 a.m. and 3.00 p.m. IST

### On the Bid/Issue Closing Date, the Bids shall be uploaded until:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event, large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken. Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

**In case of any revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.**

#### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the —stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Red Herring Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the issue through the Issue Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the issue through the Red Herring Prospectus and shall not be restricted to the minimum subscription level.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty).

Further, in accordance with Regulation 267(2) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than ₹ 1,00,000 (Rupees One Lac only) per application.

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

## Migration to Main Board

Parameter	Migration policy from NSE SME Platform to NSE Main Board
Paid up Capital & Market Capitalisation	The paid-up equity capital of the applicant shall not be less than 10 crores and the capitalisation of the applicant's equity shall not be less than 25 crores** ** Explanation For this purpose capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during 3 months preceding the application date) and the post issue number of equity shares
Earnings before Interest, Depreciation and Tax (EBITDA) and Profit After Tax (PAT)	The applicant company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
Listing period	The applicant should have been listed on SME platform of the Exchange for at least 3 years.
Other Listing conditions	<ul style="list-style-type: none"> <li>The applicant Company has not referred to the Board of Industrial &amp; Financial Reconstruction (BIFR) &amp;/OR No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.</li> <li>The company has not received any winding up petition admitted by a NCLT.</li> <li>The net worth* of the company should be at least 50 crores</li> </ul> <p>*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018</p>
Public Shareholders	Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000.
The applicant desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:	<ul style="list-style-type: none"> <li>The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.</li> <li>Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.</li> <li>Redressal mechanism of Investor grievance</li> <li>PAN and DIN no. of Director(s) of the Company</li> <li>Change in Control of a Company/Utilization of funds raised from public</li> </ul>

## Market Making

The shares issued and transferred through this Issue are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled “General Information” beginning on page 44 of this Draft Red Herring Prospectus.

## Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited.

## Restrictions, if any, on Transfer and Transmission of Shares or Debentures and on their Consolidation or Splitting

Except for lock-in of the pre-Issue Equity Shares and Promoter’s minimum contribution in the Issue as detailed in the chapter “Capital Structure” beginning on page 53 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Option to receive securities in Dematerialized Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Further, it is mandatory for the investor to furnish the details of his/her depository account, & if for any reason, details of the account are incomplete or incorrect the application shall be treated as incomplete & may be rejected by the Company without any prior notice.

#### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debentures, warrants, secured premium notes, etc. issued by our Company.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than or equal to 10 Crores rupees, shall issue equity shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the Emerge Platform of National Stock Exchange of India Limited). For further details regarding the salient features and terms of such an issue, please refer chapter titled “*Terms of Issue*” and “*Issue Procedure*” on page no. 177 and 187 respectively of this Draft Red Herring Prospectus.

This public issue comprises of upto 30,00,000 equity shares of face value of ₹10/- each for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●]/- per equity share (the “issue price”) aggregating to ₹ [●]/- Lakhs (“the issue”) by our company. The Issue and the Net Issue will constitute [●] % and [●] % respectively of the post issue paid up Equity Share Capital of the Company.

This Issue is being made by way of Book Building Process <sup>(1)</sup>:

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	Up to [●] Equity Shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than Equity Shares [●]
Percentage of Issue size available for allocation	[●]% of the issue size	<p>Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion may be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion</p> <p>Up to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only.”</p>	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment <sup>(3)</sup>	Firm Allotment	<p>Proportionate as follows:</p> <p>a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and</p>	Proportionate	Proportionate
		<p>b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above</p>		

Mode of Bid	Only through the ASBA Process	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 200,000	Such number of Equity Shares in multiples of [●] Equity Shares that Bid size exceeds ₹ 200,000	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000
Trading Lot	[●] Equity Shares, however, the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism that is specified in the ASBA Form at the time of submission of the ASBA Form.			
Mode of Bid	Only through the ASBA process			

- (1) This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018, this is an issue for at least 25% of the post issue paid-up Equity share capital of the Company. This issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the issue price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.
- (4) Our Company, in consultation with the BRLM may allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI (ICDR) Regulations, 2018, as amended. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price.
- (5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN. For further details please refer to the section titled "Issue Procedure" beginning on page 187 of the Draft Red Herring Prospectus.

#### Withdrawal of the Issue

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right to not to proceed with the Issue at any time before the Bid/Issue Opening Date, without assigning any reason thereof.



In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in all editions [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper each with wide circulation.

The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Draft Red Herring Prospectus/ Red Herring Prospectus with RoC.

## JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Delhi.

## BID/ ISSUE PROGRAMME:

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

*Note - Our Company in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Bidding Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

- A standard cut-off time of 3.00 p.m. for acceptance of bids.
- A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants.
- A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by National Stock Exchange of India Limited after taking into account the total number of bids received up to the closure of timings and reported by BRLM to National Stock Exchange of India Limited within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

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## ISSUE PROCEDURE

All Applicants should read “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 SEBI UPI Circulars (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the Book Running Lead Manager. The document will be updated to reflect the enactments and regulations including then 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. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

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 investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) Designated Date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”), and modalities of the implementation of UPI Phase III has been notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus.

Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus.

Further, our Company, the Promoter and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.

## BOOK BUILDING PROCEDURE:

This Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15.00% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35.00% of the Issue shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under- subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

**Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Issue, subject to applicable laws.**

#### AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Red Herring Prospectus together with the Application Forms and copies of the Red Herring Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com). Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

#### Phased implementation of Unified Payments Interface

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a) Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.
- b) Phase II: This phase has commenced with effect from July 01, 2019 and will continue for a period of three months or floating of five main board public issues, whichever is later. Under this phase, submission of the Bid cum Application Form by a Retail Individual Investor through intermediaries to SCSBs for blocking of funds has been discontinued and has been replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.
- c) Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public offer closure to listing has been reduced from six Working Days to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI. This Issue will be made under UPI Phase III of the UPI Circular.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors complaints in this regard, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLM.

### **Bid cum Application Form**

Copies of the Bid cum Application Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the website of National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

All Bidders shall mandatorily participate in the Issue only through the ASBA process. The RIs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Application Form for various categories is as follows:

<b>Category</b>	<b>Colour of Application Form</b>
Anchor Investor**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis	Blue

**Note:** Electronic Bid Cum Application Forms will also be available for download on the website of the National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)).

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

**Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.**

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

**The upload of the details in the electronic bidding system of stock exchange will be done by:**

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re- submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

For RIBs using UPI Mechanism, the Stock Exchange shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Issue Closing Date (“Cut- Off Time”). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchange bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue. The BRLM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Issue for analysing the same and fixing liability.

## WHO CAN BID?

**Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.**

**Subject to the above, an illustrative list of Bidders is as follows:**

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder ‘s category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of

India published in the Gazette of India;

- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **APPLICATIONS NOT TO BE MADE BY:**

- 1. Minors (except through their Guardians)
- 2. Partnership firms or their nominations
- 3. Foreign Nationals (except NRIs)
- 4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **METHOD OF BIDDING PROCESS**

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all

editions [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.

- b) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- c) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- d) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- e) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- f) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- g) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- h) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a. Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

#### **Participation by Associates /Affiliates of BRLM and the Syndicate Members**

**The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except**



**towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.**

#### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Draft Red Herring Prospectus to be registered with the RoC and also publish the same in all editions [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper each with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that

the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

#### **BIDS BY ELIGIBLE NRIS**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non- repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non- repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Issue, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Issue using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 214 Participation of eligible NRIs shall be subject to FEMA NDI Rules.

#### **BIDS BY FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA NDI Rules, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. **FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.**

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivative instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

- (i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and
- (ii). Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which finalized the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations ("Operational FPI Guidelines"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("MIM Bids"). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that finalized the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "MIM Structure"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

#### **BIDS BY SEBI-REGISTERED AIFS, VCFS AND FVCIS**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFS and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3<sup>rd</sup> of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFS, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Issue, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see ***“Key Industrial Regulations and Policies”*** beginning on page 107

#### **BIDS BY SCSBS**

SCSBs participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

#### **BIDS BY SYSTEMICALLY IMPORTANT NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

#### **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund

in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

- b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least 200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of 200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2

(two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.

- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection byes.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount

equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors.

- a) For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of: a. In case of resident Anchor Investors: — “[●] - Anchor Account- R”
- b) In case of Non-Resident Anchor Investors: — “[●] - Anchor Account- NR”
- c) Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

#### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them or
  - iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will available at

the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.

6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.



12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centers during the Bid/ Issue Period.

### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under subscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.

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

investors.

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

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

*Anchor Investors are not allowed to withdraw their Bids after Anchor Investors bidding date.*

## GENERAL INSTRUCTIONS

### Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
10. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;
11. RIBs bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms

of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
21. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
22. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to finalized blocking of funds equivalent to the revised Bid Amount in the RIB’s ASBA Account;
24. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
25. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (RIBs bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of [www.sebi.gov.in](http://www.sebi.gov.in)); and
27. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by RIBs);
1. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
2. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
3. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
4. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
5. Do not submit the Bid for an amount more than funds available in your ASBA account.
6. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
7. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
8. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
9. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
10. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
11. Do not submit the General Index Register (GIR) number instead of the PAN;
12. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
13. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
14. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
15. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
16. Do not submit a Bid using UPI ID, if you are not a RIB;
17. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
18. Do not Bid for Equity Shares in excess of what is specified for each category;
19. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. RIBs can revise or withdraw their Bids on or before the Bid/Issue Closing Date;
21. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
22. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
23. Do not Bid if you are an OCB; and
24. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Issue Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Further, in case of any pre-Issue or post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “**General Information**” and “**Our Management**” beginning on pages 44 and 115, respectively.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “**General Information**” beginning on page 44.

## GROUND FOR TECHNICAL REJECTION

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Issue or post Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “**General Information**” beginning on page 44.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI Master Circular, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days). ‘T’ being issue closing date. In partial modification to circulars dated March 16, 2021 and April 20, 2022, the compensation to investors for delay in unblocking of ASBA application monies (if any) shall be computed from T+3 day. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023. Our Company may choose to close this Issue within three (03) working days, in accordance with the timeline provided under the aforementioned circular. The timelines prescribed for public issues as mentioned in SEBI circulars dated November 1, 2018, June 28, 2019, November 8, 2019, March 30, 2020, March 16, 2021, June 2, 2021, and April 20, 2022 shall stand modified to the extent stated in this Circular.

Names of entities responsible for finalized on the basis of allotment in a fair and proper manner

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

#### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

**The allotment of Equity Shares to Bidders other than Retail Individual Investors may be on proportionate basis. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Issue for Sale only, then minimum subscription may not be applicable.**

#### **BASIS OF ALLOTMENT**

##### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

##### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

##### **c. Allotment To Anchor Investor (If Applicable)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
- i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
    - in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

**d. For QIBs**

Bids received from QIBs Bidding in the QIB Category at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- i. In the first instance, allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- ii. In the second instance, allotment to all QIBs shall be determined as follows:
  - In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

iii. Basis of Allotment for QIBs and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the National Stock Exchange of India Limited Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and

- The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

**Retail Individual Investor means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription, allotment shall be on proportionate basis and will be finalized in consultation with National Stock Exchange of India Limited.**

**The Executive Director / Managing Director of National Stock Exchange of India Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.**

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures that credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date:**

**On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.**

**The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.**

#### **Instructions for Completing the Bid Cum Application Form**

**The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.**

**SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository**



Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the website of National Stock Exchange of India Limited i.e. [www.nseindia.com](http://www.nseindia.com)

#### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository, the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

#### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

#### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

#### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 2 (Two) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 2 (two) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (two) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days) as against the present requirement of 6 working days (T+6 days); 'T' being issue closing date. The provisions of this circular shall be applicable, on voluntary basis for public issues opening on or after September 1, 2023 and on mandatory basis for public issues opening on or after December 1, 2023.

Allotment will be made in consultation National Stock Exchange of India Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted [●] equity shares; and
  - ii. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the National Stock Exchange of India Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

**As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non- Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **Equity Shares in Dematerialised Form with NSDL/CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the Issue on March 10, 2023.
- b) We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the Issue on January 10, 2024.
- c) The Company's Equity shares bear an ISIN No. INE0P3V01011.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.

- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

#### PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (all editions [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper each with wide circulation).

In the Pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING

- Our Company and the Underwriter intend to enter into an Underwriting Agreement on or before the filing of Red Herring Prospectus.
- After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

#### IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*"Any person who:*

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- 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*
- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10/- lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

#### UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;
- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;
- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under- subscription, etc.
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India (“**DPIIT**”) issued the Consolidated FDI Policy, which consolidates and supersedes 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. Under the current FDI Policy, 100% foreign direct investment is permitted in the manufacturing sector, under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investor**”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI 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 Rules. Each Applicant should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

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

**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 Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

For further details, see “Issue Procedure” beginning on page 187 of this Draft Red Herring Prospectus.

## **SECTION IX - DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION**

*Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:*

### **Interpretation**

The regulations contained in the Table marked 'F' in Schedule I to the Act shall not apply to the Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.

The regulations for the management of the Company and for the observance by the members thereto and their representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles.

1. In these regulations-
  - a) "the Act" means the Companies Act, 2013,
  - b) Company means **SERVOKON SYSTEMS LIMITED**
  - c) Articles means the Articles of Association of the Company or as altered from time to time.
  - d) Board means the Board of Directors for the time being of the Company
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. Public company means a company which:
  - (a) is not a private company and;
  - (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.

### **Share capital and variation of rights**

1. 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.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,
  - (a) one certificate for all his shares without payment of any charges; or
  - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be.

Every certificates of shares shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and

- (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.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.

- (ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
- 4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to 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. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
- 6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
- 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.
- 8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **Lien**

- 9. (i) The company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien. If any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.
- The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
- 10. 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.
- 11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **Calls on shares**

- 13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
  
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
- 14. 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.
- 15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 18. The Board-
  - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### **Transfer of shares**

- 19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- (iii) The Company shall also use a common form of transfer.
- 20. 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.
- 21. The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.  
  
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.
22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

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.

Subject to the provisions of sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Applicable Laws for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or any other Applicable Laws to register the transfer of, or the transmission by operation of Applicable Laws of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one (1) month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, or such other period as may be prescribed, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that, subject to provisions of Article 32, the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. Transfer of shares/debentures in whatever lot shall not be refused.

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

#### **Transmission of shares**

- 23. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 24. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-
  - (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 25. (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **Forfeiture of shares**

27. 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.
28. 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.
29. 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.
30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.  
(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.  
(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.  
(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.  
(iii) The transferee shall thereupon be registered as the holder of the share.  
(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. 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.

#### **Alteration of capital**

34. 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.
35. 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.
36. 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.

37. The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —

- (a) its share capital; and/or
- (b) any capital redemption reserve account; and/or
- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

#### **Capitalisation of profits**

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve-

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-

- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;
- (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
- (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall-

- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
- (b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power-

- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

#### **Buy-back of shares**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **General meetings**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **Proceedings at general meetings**

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **Adjournment of meeting**

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Voting rights**

48. 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.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **Proxy**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the

time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **Board of Directors**

58. Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year

Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

The Persons named hereinafter are the Directors of the Company at the time of adoption of new set of Articles-

1. **KAMRUDDIN**
  2. **FATIMA BEGUM**
  3. **ZAKIR HUSSAIN SIDDIQUI**
  4. **ASIF KHAN**
  5. **MOHD AKRAM**
  6. **MOHD AMAAN**
  7. **ROY MATHRANI**
  8. **ARUN KUMAR SHARMA**
  9. **SHEHZAD MOHD KHAN**
59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
- (ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-
- (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - (b) in connection with the business of the company.
60. The Board may pay all expenses incurred in getting up and registering the company.
61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- (ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

#### **Proceedings of the Board**

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.  
(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.  
(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.  
(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. (i) A committee may elect a Chairperson of its meetings.  
(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. (i) A committee may meet and adjourn as it thinks fit.  
(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

#### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

74. Subject to the provisions of the Act,-  
(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;  
(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **Dividends and Reserve**

76. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
77. 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.

78. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
79. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
80. 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.
81. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
82. 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.
83. 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.
84. No dividend shall bear interest against the company.

Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf.

Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act. There shall be no forfeiture of unclaimed dividends by the Board before the claim becomes barred by law.

#### **Accounts**

85. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

#### **Winding up**

86. Subject to the provisions of Chapter XX of the Act and rules made thereunder-
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

#### **Indemnity**

87. 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.

#### **Sub-division, consolidation and cancellation of share certificate**

88. Subject to the provisions of the Act, the Company in its general meetings may, by an ordinary resolution, from time to time:
- (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;
  - (b) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;
  - (c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;
  - (d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and
  - (e) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination.

#### **Further issue of Shares**

- (1) Where at any time the Board or the Company, as the case may be, proposes to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:
- (i) to the persons who at the date of the offer are holders of the Equity Shares, in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares at that date, by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;
  - (ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days, or such lesser number of days as may be prescribed and not exceeding thirty days from the date of the offer, within which the offer, if not accepted, shall be deemed to have been declined.  
  
Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;
  - (iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;
  - (iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;
  - (v) to employees under any scheme of employees' stock option subject to Special Resolution passed by the shareholders of the Company and subject to the Rules and such other conditions, as may be prescribed under applicable law; or
  - (vi) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made thereunder;
- (2) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed:
- (i) To extend the time within which the offer should be accepted; or



- (ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the shareholders in a General Meeting.

- (4) Notwithstanding anything contained in Article 12(3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

#### **No fee on transfer or transmission**

89. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

#### **Payment in anticipation of call may carry interest**

90. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount or the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid In advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

#### **Term of issue of Debenture**

91. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

#### **General Powers**

92. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

## **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 Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be delivered to the RoC for filing. Copies of the 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 date of the Draft Red Herring Prospectus until the Issue Closing Date and it shall also made available for inspection on website of the company i.e. [www.servokon.com](http://www.servokon.com).

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### **A. Material Contracts for the Issue**

- (a) Issue Agreement dated January 09, 2024 entered between our Company and the Book Running Lead Manager.
- (b) Registrar Agreement dated January 16, 2024 entered into amongst our Company and the Registrar to the Issue.
- (c) Tripartite Agreement dated March 10, 2023 between our Company, NSDL and the Registrar to the Issue. Tripartite Agreement dated January 10, 2024 between our Company, CDSL and the Registrar to the Issue.
- (d) Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
- (e) Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
- (f) Underwriting Agreement dated [●] between our Company and the Underwriter.
- (g) Syndicate Agreement dated [●] executed between our Company, Book Running Lead Manager and Syndicate Member.

#### **B. Material Documents**

- (a) Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended from time to time;
- (b) Certificate of incorporation dated May 23, 1995, issued by the Registrar of Companies, N.C.T of Delhi & Haryana.
- (c) Fresh certificate of incorporation dated March 28, 2006, issued by the Registrar of Companies, N.C.T of Delhi & Haryana issued pursuant to name change of the Company at the time of conversion from a private company into a public company.
- (d) Resolutions of our Board of Directors dated October 05 2023, in relation to the Issue and other related matters;
- (e) Shareholders' resolution dated October 30 2023, in relation to this Issue and other related matters;
- (f) Resolution of the Board of Directors of the Company dated January 24, 2024 taking on record and approving this Draft Red Herring Prospectus.
- (g) The examination report dated January 22, 2024 of our Statutory Auditors on our Restated Financial Statements, included in this Draft Red Herring Prospectus;
- (h) Copies of the annual reports of the Company for the Fiscals 2023, 2022, 2021;
- (i) Statement of Tax Benefits dated January 22, 2024 from the Statutory Auditor included in this Draft Red Herring Prospectus;
- (j) Consent of the Promoters, Directors, the Book Running Lead Manager, the Legal Advisor to our Issue, the Registrar to the Issue, the Company Secretary and Compliance Officer and the Chief Financial Officer, to act in their respective capacities;
- (k) Consent letter dated January 22, 2024 of the Statutory Auditor to include their names as experts in relation to their report dated January 22, 2024 on the Restated Financial Information and the Statement of Tax Benefits dated January 22, 2024 included in this Draft Red Herring Prospectus.
- (l) Due diligence certificate dated January 24, 2024 issued by Book Running Lead Manager;
- (m) In principle listing approval dated [●] issued by NSE;

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

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

**SIGNED BY THE MANAGING DIRECTORS AND KMP OF OUR COMPANY**

*Kamruddin*

**Kamruddin**  
**Managing Director**  
**(DIN: 00451893)**

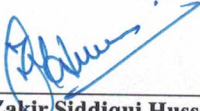
**Date: 24.01.2024**

**Place: Delhi**

## DECLARATION

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**SIGNED BY THE WHOLE TIME DIRECTOR OF OUR COMPANY**



**Zakir Siddiqui Hussain**  
**Chairman and Whole Time Director and CEO**  
**(DIN: 00452052)**

**Date: 24.01.2024**

**Place: Delhi**



## DECLARATION

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**SIGNED BY THE DIRECTOR OF OUR COMPANY**



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**Fatima Begum**  
**Executive Director**  
**(DIN: 00451922)**

**Date: 24.01.2024**

**Place: Delhi**

## DECLARATION

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**SIGNED BY THE DIRECTOR OF OUR COMPANY**



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**Asif Khan**  
**Executive Director**  
**(DIN: 07755168)**

**Date: 24.01.2024**  
**Place: Delhi**

## DECLARATION

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**SIGNED BY THE DIRECTOR OF OUR COMPANY**



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**Mohd Akram**  
**Executive Director**  
**(DIN: 10269802)**

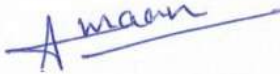
**Date: 24.01.2024**

**Place: Delhi**

## DECLARATION

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**SIGNED BY THE DIRECTOR OF OUR COMPANY**



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**Mohd Amaan**  
**Non - Executive Director**  
**(DIN: 10272039)**

**Date:** 24.01.2024

**Place:** Delhi



## DECLARATION

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

**SIGNED BY THE DIRECTOR OF OUR COMPANY**



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**Arun Kumar Sharma**  
**Independent Director**  
**(DIN: 09623795)**

**Date: 24.01.2024**

**Place: Delhi**

## DECLARATION

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

**SIGNED BY THE DIRECTOR OF OUR COMPANY**



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**Roy Mathrani**  
**Independent Director**  
**(DIN: 10389790)**

**Date: 24.01.2024**

**Place: Delhi**

## DECLARATION

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

**SIGNED BY THE DIRECTOR OF OUR COMPANY**



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**Shehzad Mohd Khan**  
**Independent Director**  
**(DIN: 10391773)**

**Date:** 24.01.2024

**Place:** Delhi

## **DECLARATION**

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

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY**



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**Piyush Sudhir Kale**  
**Company Secretary & Compliance Officer**

**Date: 24.01.2024**

**Place: Delhi**

## DECLARATION

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

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY**

  
\_\_\_\_\_  
Sheeraz Khan  
CFO

**Date: 24.01.2024**

**Place: Delhi**