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Draft Prospectus

Dated: January 31, 2025

Fixed Price Issue

Please read Section 26 and 28 of Companies Act, 2013



**SHINING TOOLS LIMITED**

Corporate Identification Number: U29220GJ2013PLC074803

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India.	N.A.	Mrs. Sneha Dhaval Shah Company Secretary and Compliance Officer	<b>Email:</b> <a href="mailto:cs@tixnatools.com">cs@tixnatools.com</a> <b>Tel. No.:</b> +91 9687693344	<a href="http://www.tixnatools.com">www.tixnatools.com</a>

**PROMOTERS OF OUR COMPANY ARE MR. VIPULBHAI LALJIBHAI GHONIA, AND MR. KAMALBHAI LALJIBHAI GHONIA**

**DETAILS OF ISSUE TO PUBLIC**

TYPE	FRESH ISSUE	SIZE OF OFFER FOR SALE	TOTAL ISSUE SIZE	ELIGIBILITY
Fresh Issue	Up to 15,00,000 Equity Shares aggregating up to [●] Lakhs	N.A.	Up to 15,00,000 Equity Shares aggregating up to [●] Lakhs	This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. The Issue is being made pursuant to Regulation 229 (1) of SEBI (ICDR) Regulations, as the Company's post issue paid up capital is less than Rs. 10.00 Cr.

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR WEIGHTED 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 our Company, there has been no formal market for the Equity Shares. The face value of Equity Shares is ₹ 10/- each. The Floor Price, Cap Price and Issue Price (determined by our Company in consultation with the Lead Manager, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of Fixed Price Process as stated in "Basis for Issue Price" beginning on page 104 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to 'Risk Factors' on page 29 of this Draft Prospectus.**

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares issued through this Draft Prospectus are proposed to be listed on the SME Platform BSE Limited (BSE SME) 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 BSE Limited.

**LEAD MANAGER TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 SOBHAGYA CAPITAL OPTIONS PVT LTD.	Mr. Rishabh Singhvi/ Ms. Nisha	<b>Telephone:</b> +91 7836066001 <b>E-mail:</b> <a href="mailto:cs@sobhagyacap.com">cs@sobhagyacap.com</a>

**REGISTRAR TO THE ISSUE**

Name and Logo	Contact Person	Email & Telephone
 ACCURATE SECURITIES AND REGISTRY PVT LTD	Mr. Ankur Shah	<b>Telephone:</b> +91-79-48000319 <b>E-mail:</b> <a href="mailto:shining.ipo@accuratesecurities.com">shining.ipo@accuratesecurities.com</a>

**ISSUE PROGRAMME**

<b>ISSUE PERIOD:</b> [●]	<b>ISSUE OPENS ON:</b> [●]	<b>ISSUE CLOSES ON:</b> [●]
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**SHINING TOOLS LIMITED**  
CIN: U29220GJ2013PLC074803

*Draft Prospectus*  
**Dated: January 31, 2025**  
*(This Draft Prospectus will be updated upon filing with the ROC)*  
*Fixed Price Issue*

Our Company was incorporated on May 01, 2013 as 'Shining Tools Limited', a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 01, 2013 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. For further details related to Corporate Structure of our Company, see "History and Certain Corporate Matters" on page 158 of this Draft Prospectus.

**Registered Office:** Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India.;

**Tel No:** +91 9726744244; **E-mail:** [info@tixnatools.com](mailto:info@tixnatools.com)

**Website:** [www.tixnatools.com](http://www.tixnatools.com); **Contact Person:** Mrs. Sneha Dhaval Shah, Company Secretary & Compliance Officer;

**DETAILS OF THE ISSUE**

**INITIAL PUBLIC ISSUE OF 15,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (THE "EQUITY SHARES") OF SHINING TOOLS LIMITED ("OUR COMPANY" OR "ACL" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹[●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 75,600 EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹[●] LAKHS 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 14,24,400 EQUITY SHARES OF FACE VALUE OF ₹10 EACH, AT AN ISSUE PRICE OF ₹[●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹[●] LAKHS IS HEREIN AFTER 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.**

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED. IN TERMS OF RULE 19(2)(b) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 253 OF THE SEBI (ICDR) REGULATIONS, AS AMENDED. FOR FURTHER DETAILS, SEE "ISSUE PROCEDURE" ON PAGE 276 OF THE DRAFT PROSPECTUS

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details of the irrespective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. A copy will be delivered for registration to the Registrar of Companies as under Section 26 and Section 32 of the Companies Act, 2013. For details in this regards, specific attention is invited to "Issue Procedure" on page 276. A copy of the Prospectus will be delivered for registration to the Registrar of companies as required under Section 26 of the Companies Act, 2013.

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10.00 EACH AND THE ISSUE PRICE OF RS. [●] IS [●] TIMES OF THE FACE VALUE**

**RISK IN RELATION TO THE FIRST ISSUE**

The face value of the Equity Shares is ₹10 each. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Fixed Price Process, as stated under "Basis for Issue Price" beginning on page 104 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 RISKS**

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 Prospectus. **Specific attention of the investors is invited to the section "Risk Factors" beginning on page 29 of this Draft Prospectus.**

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

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

**LEAD MANAGER TO THE ISSUE**

**REGISTRAR TO THE ISSUE**



**SOBHAGYA CAPITAL OPTIONS PRIVATE LIMITED**  
C-7&7A, Hosiery Complex, Phase-II Extension, Noida-201305, Uttar Pradesh  
**Telephone:** +91 7836066001  
**E-mail:** [cs@sobhagyacap.com](mailto:cs@sobhagyacap.com)  
**Investor Grievance Email:** [delhi@sobhagyacap.com](mailto:delhi@sobhagyacap.com)  
**Contact Person:** Mr. Rishabh Singhvi/ Ms. Nisha  
**Website:** [www.sobhagyacapital.com](http://www.sobhagyacapital.com)  
**SEBI Registration No.:** MB/INM000008571



**ACCURATE SECURITIES AND REGISTRY PRIVATE LIMITED**  
B1105 - 1108, K P Epitome, Nr. Makarba Lake, Nr. Siddhi Vinayak Towers, Makarba, Jivraj Park-380051, Ahmedabad, Gujarat, India.  
**Telephone:** +91-79-48000319  
**E-mail:** [shining.ipo@accuratesecurities.com](mailto:shining.ipo@accuratesecurities.com)  
**Investor grievance email:** [investor@accuratesecurities.com](mailto:investor@accuratesecurities.com)  
**Contact Person:** Mr. Ankur Shah  
**Website:** <https://accuratesecurities.com/>  
**SEBI Registration Number:** INR000004173  
**CIN:** U74900GJ2013PTC077829

**ISSUE PROGRAMME**

**ISSUE PERIOD:** [●]

**ISSUE OPENS ON:** [●]

**ISSUE CLOSES ON:** [●]

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## PRESENTATION OF FINANCIAL INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

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

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

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

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

### FINANCIAL DATA

Unless stated otherwise, the financial data in the Draft Prospectus is derived from our restated audited financial statements for the July 31, 2024 and financial year ended on March 31, 2024; March 31, 2023 and March 31, 2022 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP which are included in the Draft Prospectus, and set out in the section titled "Restated Financial Statements" beginning on page 187 of the Draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Years are to the twelve-month period ended March 31 of that year. In the Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled "Risk Factors", "Business Overview" and "Management's Discussion And Analysis Of Financial Position And Results Of Operations" beginning on page 29, 127 and 233 respectively of this Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### CURRENCY AND UNITS OF PRESENTATION

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

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

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

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

### INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout the Draft Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry 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 are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## EXCHANGE RATES

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

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

Currency	Exchange Rate as on July 31, 2024	Exchange Rate as on March 31, 2024	Exchange Rate as on March 31, 2023	Exchange Rate as on March 31, 2022
1 USD	83.74	83.37	82.22	75.81

Note:

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

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

## DEFINITIONS

For definitions, please refer the chapter titled "Definitions and Abbreviations" beginning on page 8 of this Draft Prospectus. In the section titled "Main Provisions of the Articles of Association" beginning on page 313 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

**SECTION I – GENERAL  
DEFINITIONS AND ABBREVIATIONS**

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

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

Notwithstanding the foregoing, the terms not defined but used in the chapters titled ‘Summary of the Issue Document’, ‘Risk Factors’, ‘Statement of Tax Benefits’, ‘Industry Overview’, ‘Our Business’, ‘Key Regulations and Policies’, ‘Restated Financial Statements’, ‘Outstanding Litigation and Material Developments’, ‘Issue Procedure’, and ‘Main Provisions of Articles of Association’ beginning on page nos.21, 29, 111, 113, 127, 313, 187 and 246, 276, respectively, shall have the meanings ascribed to such terms in the respective sections.

**General Terms**

Term	Description
“Our Company”, “the Company”, “Shining Tools” or “the Issuer”	Shining Tools Limited, a company incorporated under the Companies Act, 2013 and having its Registered Office situated at Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India
“We” or “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company.

**Company Related Terms**

Term	Description
“Articles” or “Articles of Association” or “AoA”	Articles of association of our Company, as amended from time to time.
“Audit Committee”	The committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (LODR) Regulations, 2015.
“Auditor” or “Statutory Auditor”	The statutory auditor of our Company, being M/s V S S B & Associates, Chartered Accountants.
“Bankers to the Company”	Such banks which are disclosed as Bankers to the Company in the chapter titled “General Information” on page 65.
“Board” or “Board of Directors”	The Board of Directors of our Company, as constituted from time to time, including any duly constituted committees thereof.
“Chief Financial Officer” or “CFO”	Chief Financial Officer of our Company being Mr. Abhishek Dobaria Arvindbhai. For details see chapter titled “Our Management” on page 162.
“Corporate Identification Number” or “CIN”	Corporate Identification Number of our Company being U29220GJ2013PLC074803, unless otherwise specified.
“Company Secretary and Compliance Officer”	Company secretary and compliance officer of our Company being Mrs. Sneha Dhaval Shah for details see chapter “Our Management” on page 162.
“Corporate Social	Corporate social responsibility committee of our Board constituted in accordance with



Term	Description
Responsibility Committee” or “CSR Committee”	Companies Act. For details see Chapter titled “ <i>Our Management</i> ” on page 162.
“Debt/EBITDA Ratio”	Calculated as total debts (includes long term and short-term borrowings) divided by EBITDA.
“Director(s)”	Directors on our Board, as appointed from time to time.
“Earnings per Share (Basic)”	Calculated as Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of Equity Shares outstanding during the year/period.
“Earnings per Share (Diluted)”	Calculated from Net profit/ (loss) after tax, as restated attributable to equity shareholders divided by weighted average number of diluted Equity Shares outstanding during the year/period.
“EBITDA”	EBITDA is calculated as profit for the year/ period, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses, less other income.
“EBITDA Margin (%)”	Calculated as EBITDA divided by Revenue from Operations.
“Equity Shares”	Equity shares of our Company of face value of ₹ 10/- each.
“Equity Shareholders” or “Shareholders”	Persons/ Entities holding Equity Shares of our Company.
“Executive Director”	Executive director of our Company. For details see Chapter titled “ <i>Our Management</i> ” on page 162.
“Financial Statements as Restated” or “Restated Financial Statements”	Restated Financial Statements of our Company included in this Draft Prospectus comprising Restated information of assets and liabilities of our Company for the four months ended July 31, 2024 ,for the Financial Years ended on March 31, 2024, March 31, 2023 and March 31, 2022 and the restated statement of profit and loss of our Company (including other comprehensive income), the restated statement of changes in equity, the restated statement of cash flow for the four months ended July 31, 2024 for the Financial Year ended on March 31, 2024, March 31, 2023 and March 31, 2022. Summary statement of significant accounting policies and other explanatory information (collectively, the Restated Financial Statements) each prepared in accordance with the Companies Act, Ind AS and Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI, and restated in accordance with SEBI ICDR Regulations, included in the chapter titled “ <i>Restated Financial Information</i> ” beginning on page 187.
“Group Company” or “Group Companies”	The group companies of our Company in accordance with the SEBI ICDR Regulations. For details, see “ <i>Our Group Company</i> ” beginning on page .
“Gross Profit”	Calculated as Revenue from Operations less cost of materials consumed, purchase of traded goods, changes in inventories of finished goods and work-in-progress.
“Gross Profit Margin (%)”	Calculated as Gross Profit divided by Revenue from Operations.
“Growth in Revenue from Operations (%)”	A percentage of Revenue from Operations of the relevant period/year minus Revenue from Operations of the preceding period/year, divided by Revenue from Operations of the preceding period/year.
“Independent Directors”	Non-Executive, Independent directors of our Board appointed as per Companies Act and SEBI Listing Regulations. For details, see chapter titled “ <i>Our Management</i> ” beginning on page 162.
“Inventory Turnover Days”	Calculated as average inventory as at the end of the period / year divided by cost of goods sold multiplied by number of days in a period / year.
“ISIN”	International Securities Identification Number. The ISIN for Equity Shares in this case being INE0D8001018.

Term	Description
“Key Management Personnel” or “Key Managerial Personnel” or “KMP”	Key management personnel of our Company in terms of SEBI ICDR Regulations and Companies Act, 2013, and as described in the chapter titled “ <b><i>Our Management</i></b> ” beginning on page 162.
“Materiality Policy”	The policy adopted by our Board on June 29, 2024, for material outstanding litigation proceedings and outstanding dues to material creditors, and materiality policy for identification of group companies adopted by Board on June 29, 2024, in accordance with the disclosure requirements under SEBI ICDR Regulations.
“MoA” or “Memorandum of Association” or “Memorandum”	Memorandum of association of our Company, as amended.
“Managing Director”	The Managing Director of our Company being, Mr. Vipulbhai Laljibhai Ghonia. For details see chapter titled “ <b><i>Our Management</i></b> ” on page 162.
“NAV per Equity Share”	Calculated as Net Asset Value divided by No. of Equity Shares
“Net Fixed Asset Turnover”	Calculated as net turnover divided by fixed assets which consists of property, plant and equipment and capital work-in-progress.
“Net Working Capital Days”	Calculated as working capital (current assets minus current liabilities) as at the end of the period / year divided by Revenue from Operations multiplied by number of days in a period / year.
“Net Worth”	Total Equity as mentioned in the Restated Financial Statement.
“Nomination and Remuneration Committee” or “NRC”	Nomination and remuneration committee of our Board constituted in accordance with SEBI Listing Regulations and Companies Act. For details see Chapter titled “ <b><i>Our Management</i></b> ” on page 162.
“Non-Executive Directors”	Non-Executive, non-independent directors of our Board. For details see chapter titled “ <b><i>Our Management</i></b> ” beginning on page 162.
“Operating Cash Flows”	Net cash generated from operating activities as mentioned in the Restated Financial Statement.
“Operating Profit before Working Capital Changes”	Cash generated before change of working capital adjustments.
“PAT” or “Profit After Tax”	Profit for the period/year as appearing in the Restated Financial Statement.
“PAT Margin (%)”	Calculated as profit for the year/period as a percentage of Revenue from Operations.
“Promoter” or “Promoters” or “Our Promoters”	The Promoters of our company, being Mr. Vipulbhai Laljibhai Ghonia and Mr. Kamalbhai Laljibhai Ghonia. For details, see “ <b><i>Our Promoters and Promoter Group</i></b> ” on page 186.
“Promoter Group”	Such persons and entities which constitute the promoter group of our Company pursuant to with regulation 2(1) (pp) of the SEBI ICDR Regulations. For further details, see the chapter titled “ <b><i>Our Promoters and Promoter Group</i></b> ” beginning on page 186.
“Revenue from Operations”	Revenue from Operations as appearing in the Restated Financial Statement.
“Registered Office”	The registered office of our company located at Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India
“Registrar of Companies” or “RoC”	Registrar of Companies, Ahmedabad, India.
“Return on Net Worth”	Calculated as profit after tax before exceptional items and other comprehensive income/ expenses divided by net worth.

Term	Description
“RoCE (%)” or “Return of Capital Employed”	Calculated as earnings before interest and taxes divided by capital employed (Total Debt)
“RoE (%)” or “Return on Equity”	Calculated as net profit after tax for the year / period divided by average shareholder equity.
“Senior Management”	Senior Management of our Company in terms of regulation 2 (1) (bbbb) of the SEBI ICDR Regulation, as identified in the Chapter titled <b>“Our Management”</b> beginning on page 162.
“Stakeholders’ Relationship Committee”	Stakeholders Relationship Committee of our Board constituted in accordance with SEBI Listing Regulations and Companies Act. For details see Chapter titled <b>“Our Management”</b> on page 162.
SME Exchange	Unless the context otherwise requires, refer to the SME Platform of BSE Limited (“BSE SME”).
Total Quantity Sold (in Units)	This metric indicates the volume of the goods sold by the Company according to its various product offerings
Total Quantity Produced (in Units)	This metric indicates the quantity of the products produced by the Company according to its various product offerings
Total Number of Customers	This metric indicates the total number of customers served by the company further divided into International and Domestic clients showing the diversification in the customer base
Total Number of Employees	This metric indicates the total number of Employees hired by the company both on company’s payroll and contractual employees hired.

#### Issue Related Term

TERM	DESCRIPTION
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allot / Allotment / Allotment of Equity Shares	Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares pursuant to the issue to the successful Applicants.
Allocation / Allocation of Equity Shares	Unless the Context otherwise requires, the allocation of Equity Shares pursuant to this Issue to successful Applicants.
Allotment Advice	Note, advice or intimation of Allotment sent to the Applicants who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee’s	The successful applicant to whom the Equity Shares are/ have been allotted.
Applicant(s)	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Prospectus.
Application Collecting Intermediary	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’) (and 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’) (and whose name is mentioned on the website of the stock exchange as eligible for this activity)
Application Form	The form in terms of which the prospective Applicants shall apply for the Equity Shares of our Company.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by all applicants to make a Bid authorizing a SCSB to block the application amount in the ASBA Account maintained

TERM	DESCRIPTION
	with the SCSB and will include amounts blocked by RIIs using UPI Mechanism.
ASBA Account	Account maintained by an ASBA Applicants with an SCSB which will be blocked by such SCSB to the extent of the Application Amount.
ASBA Applicant(s)	Any prospective investor who makes an Application pursuant to the terms of the Prospectus and the Application Form.
ASBA Application	An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Prospectus.
Banker(s) to the Company	Such banks which are disclosed as bankers to our Company in the chapter titled " <b>General Information</b> " beginning on page 65 of this Draft Prospectus.
Banker(s) to the Issue/ Escrow Collection Bank(s)/Public Issue Bank/ Refund Banker	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom Escrow Account will be opened and in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue in consultation with the Stock Exchange which is described in the Chapter titled ' <b>Issue Procedure</b> ' beginning on page 276 of this Draft Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application forms to a Registered Broker. the details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the website of the BSE- <a href="http://www.bseindia.com">www.bseindia.com</a>
BSE SME	The SME Platform of BSE Limited ("BSE SME"), approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI (ICDR) Regulations, 2018.
CAN / Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant(s) or CDP(s)	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular No. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manage, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time
Collection Centres	Centres at which the Designated intermediaries shall accept the Application Forms, being the Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs
Demographic Details	The demographic details of the Applicants such as their Name, Address, Pan, Occupation, Applicant Status and Bank Account details and UPI (If applicable)
Depository/Depositories	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depository Participant/DP	A Depository Participant as defined under the Depositories Act, 1996, as amended from time to time.
Designated CDP Location	Such locations of the CDPs where Applicants can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange.
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the Applicants to the Public Issue Account or unblock such amounts, as appropriate in terms of the Prospectus.
Designated Intermediaries/ Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).

TERM	DESCRIPTION
Designated Market Maker / Market Maker	In our case, [●].
Designated Locations RTA	Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange
Designated Branches SCSB	Such branches of the SCSBs which collected the ASBA Application Form from the applicants and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://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.
Designated Exchange/ SE Stock	SME Platform of BSE Limited ("BSE SME")
Draft Prospectus	The Draft Prospectus dated January 31, 2025 issued in accordance with section 26 and 32 of the Companies Act, 2013 and filed with the BSE under SEBI (ICDR) Regulation, 2018 as amended from time to time.
Escrow Agreement	Agreement dated [●] entered in to amongst our Company, Lead Manager and the Registrar, the Banker(s) to the Issue/ Escrow Collection Bank(s) for collection of the Application Amounts from the ASBA Applicants through the SCSBs Bank Account on the Designated Date in the Public Issue Account.
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Reconstitutes an invitation to subscribe to the Equity Shares offered herein.
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible QFI	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened dematerialised accounts with SEBI registered qualified depository participants as QFIs and are deemed as FPIs under the SEBI FPI Regulations.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker(s) to the Issue/ Escrow Collection Bank(s) at which bank(s) the Escrow Account of our Company will be opened, in this case being [●].
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered to with SEBI under applicable laws in India.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document or GID	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no.(SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and circular no.(SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM.
Issue / Issue Size/ IPO/Initial Public Offering/Public Issue	The issue of up to 15,00,000 Equity Shares of face value Rs. 10/-each at a issue price of ₹ 110/- per Equity Share (including premium of ₹100/- per Equity Share) aggregating up to ₹ 1650.00 Lakhs by our Company.

TERM	DESCRIPTION
Issue Agreement/ MoU	The agreement dated January 20, 2025 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Period	The Issue period shall be [●], being the Issue Opening Date, to [●], being the Issue Closing Date.
Issue Closing Date	[●], The Date on which Issue closes for subscription
Issue Opening Date	[●], The Date on which Issue opens for subscription
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. [●]/- per equity share.
Issue Proceeds	Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the Issue expenses.
LM / Lead Manager	Lead Manager to the Issue, in this case being Sobhagya Capital Options Private Limited, SEBI Registered Category I Merchant Bankers.
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited (“BSE SME”)
Lot Size	The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] share to the successful applicants
Market Making Agreement	Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
Market Maker/MM	[●] 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 any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	Upto 75,600 Equity Shares of Rs. 10/- each at Rs. [●]/- Per Equity Shares aggregating to Rs. [●] Lakhs reserved for subscription by the Market Maker
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of Upto 14,24,400 Equity Shares of Rs. 10/- each of Shining Industries Limited at Rs. [●] per Equity Share aggregating to Rs. [●] Lakhs.
Net Proceeds	Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the Issue expenses.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non-Institutional Investors/ Applicants/NIIs	All Applicants (including Category III FPIs which are foreign corporate or foreign individuals but not including NRIs, other than eligible NRIs) that are not Qualified Institutional Buyers (QIBs) (including Anchor Investors or Retail Individual Applicants/Investors and who have applied for Equity Shares for an amount more than Rs. 2,00,000.
Non-Indian Resident/NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulation, as amended from time to time
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus dated [●] to be filed with the ROC in accordance with Section 26 and 32 of the Companies Act, 2013 and SEBI (ICDR), Regulations containing inter alia, the Issue opening and Issue closing dates and other certain information
Public Issue Account	Account opened with Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Institutional Buyers / QIBs	A Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of SEBI (ICDR), Regulations, 2018
Refund Account	The account to be opened with the Refund Bank, from which refunds, if any, of the whole or part of the Application Amount to the Applicants shall be made

TERM	DESCRIPTION
Refund Bank(s)	The Bank which is a clearing member and registered with SEBI as a Banker to an Issue and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals.
Registrar Agreement	The agreement dated January 9 ,2024 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar and Share Transfer Agents or RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issue by SEBI
Registrar/ Registrar to the Issue	Registrar to the Issue being <b>Accurate Securities And Registry Private Limited</b>
Retail Individual Investors/ RIIs	Individual investors, or minors applying through their natural guardians (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than or equal to Rs. 2,00,000/-.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
Self-Certified Syndicate Banks/ SCSB	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
SCSB Agreement	The deemed agreement between the SCSBs, the Lead Manager, the Registrar to the Issue and our Company, in relation to the collection of Applications from the ASBA Applicants and payment of funds by the SCSBs to the Public Issue Account
SME Platform of BSE/ SME Exchange/ Stock Exchange/ BSE SME	The SME Platform of BSE, as approved by SEBI as a SME Exchange for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time
Specified Locations	Centres where the Syndicate shall accept ASBA Forms from Applicants and in case of RIIs only ASBA Forms with UPI
Sponsor Bank	A Banker to the Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company in consultation with the LM to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●]
Specified Securities	Equity Shares are being offered through this Draft Prospectus
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TRS / Transaction Registration Slip	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the Applicant, as proof of registration of the Application.
Underwriters to the Issue	[●]
Underwriting Agreement	The Agreement dated [●] entered into between the Underwriters and our Company.
Unified Payments Interface/ UPI	Unified Payments Interface (UPI) is an instant payment system developed by The National Payments Corporation of India (NPCI).
UPI Circulars	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01,2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019,SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 and SEBI Circular(SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 08, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular no SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard

TERM	DESCRIPTION
UPI Application	Collectively, individual investors applying as Retail Individual Investors in the Retail Portion, and Other than retail individual investors applying with an application size of more than ₹ 200,000 and up to ₹ 500,000 in the Other than Retail Investors category and applying under the UPI Mechanism. 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 stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (ii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iii) 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 ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI ID Linked Bank Account	Account of the RIIs, applying in the issue using the UPI mechanism, which will be blocked upon accepting the UPI mandate to the extent of the appropriate application amount and subsequent debit of funds in the case of allotment.
UPI Mandate Request / Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Application Amount and subsequent debit of funds in case of Allotment. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors, using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFi=yes&amp;intmid=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFi=yes&amp;intmid=40</a> ) and ( <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmid=43</a> ) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that may be used by an RII to make an Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018
UPI PIN	Password to authenticate UPI transaction.
Willful Defaulter	Willful Defaulter is defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018, means a person or an issuer who or which is categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
Working Days	In accordance with Regulation 2(1)(mmm) of SEBI (ICDR), Regulations, 2018, working day means all days on which commercial banks in the city as specified in the offer document are open for business. - However, till Application / Issue closing date: All days other than 2 <sup>nd</sup> and 4 <sup>th</sup> Saturday of the month, Sunday or a public holiday; - Post Application / Issue closing date and till the Listing of Equity Shares: Working days shall be all trading days of stock exchanges excluding Sundays and bank holidays (in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016).

#### Technical/Industry Related Terms/Abbreviations

Term	Description
GDP	Gross Domestic Product
WHO	World Health Organization
MSME	Ministry of Micro, Small & Medium Enterprises
ISO	International Organization for Standardization
OTC	Over The-Counter



Term	Description
IMP	International Monetary Fund
CAD	Current Account Deficit
HFIs	High-Frequency Indicators
QC	Quality Control
QA	Quality Analysis
KPI	Key Performance Indicators

#### Conventional and General Terms or Abbreviations

Term	Description
“₹” or “Rs.” or “Rupees” or “INR”	Indian Rupees
“A/c”	Account
“AGM”	Annual general meeting
“Air Act”	Air (Prevention and Control of Pollution) Act, 1981
“AIFs”	Alternative Investments Funds as defined in and registered with SEBI under the SEBI AIF Regulations.
“AS” or “Accounting Standard”	Accounting Standards as issued by the Institute of Chartered Accountants of India
“ASBA”	Applications Supported by Blocked Amount
“AY”	Assessment Year
“BSE”	BSE Limited
“Calendar Year” or “CY”	Unless stated otherwise, the period of 12 months ending December 31 of that particular year
“CAD”	Current Account Deficit
“CAGR”	Compound Annual Growth Rate
“CAN”	Common Account Number
“Category I AIF”	AIFs who are registered as “Category I 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 AIF”	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
“Category II FPIs”	FPIs who are registered as “Category II Foreign Portfolio Investors” under the SEBI FPI Regulations
“Category III AIF”	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
“CDSL”	Central Depository Services (India) Limited
“CEO”	Chief Executive Officer
“CFO”	Chief Financial Officer
“CIN”	Corporate Identity Number
“Companies Act, 1956”	Companies Act, 1956, along with the relevant rules made thereunder
“Companies Act, 2013” or “Companies Act”	Companies Act, 2013, along with the relevant rules made thereunder
“COVID-19”	Coronavirus disease 2019, a respiratory illness caused by the Novel Coronavirus and 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
“CSR”	Corporate Social Responsibility
“CY”	Calendar Year
“Depository” or “Depositories”	NSDL and CDSL

Term	Description
“Depositories Act”	Depositories Act, 1996
“DIN”	Director Identification Number
“DPIIT”	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)
“DP ID”	Depository Participant Identification
“DP” or “Depository Participant”	Depository participant as defined under the Depositories Act
“EBITDA”	EBITDA is calculated as profit for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income
“EGM”	Extraordinary General Meeting
“EPS”	Earnings Per Share
“ESI Act”	Employees State Insurance Act, 1948
“ESIC”	Employees State Insurance Corporation
“ERP”	Enterprise Resource Planning
“FDI”	Foreign Direct Investment
“FDI Policy”	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020
“FEMA”	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
“FEMA Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“Financial Year” or “Fiscal” or “FY”	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
“FCNR ACCOUNT”	Foreign Currency Non-Resident Account
“FPI(s)”	Foreign portfolio investors as defined under the SEBI FPI Regulations
“FVCI(s)”	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
“GAAP”	Generally Accepted Accounting Principles
“G – Secs”	Government Securities or Government Bonds
“GDP”	Gross Domestic Product
“GoI” or “Government” or “Central Government”	Government of India
“GST”	Goods and Services Tax
“GSTIN”	Goods and Service Tax Identification Number
“HNIs”	High Networth Individuals
“HRD”	Human Resource Development
“HUF”	Hindu Undivided Family
“ICAI”	The Institute of Chartered Accountants of India
“IFRS”	International Financial Reporting Standards
“IFSC”	Indian Financial System Code
“IMF”	International Monetary Fund
“IPO”	Initial Public Offer
“IRDAI”	Insurance Regulatory and Development Authority of India
“ISIN”	International Securities Identification Number
“IST”	Indian Standard Time
“IT”	Information Technology
“IT Act”	The Income Tax Act, 1961
“KYC”	Know Your Customer
“MCA”	Ministry of Corporate Affairs
“Mutual Fund (s)”	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996

Term	Description
“N/A” or “NA” or “N.A.”	Not applicable
“NACH”	National Automated Clearing House
“NAV”	Net Asset Value
“NBFC”	Non-Banking Financial Company
“NBFC-SI”	Non-Banking Financial Company- Systematically Important
“NEFT”	National Electronic Funds Transfer
“NOC”	No Objection Certificate.
“NPCI”	National Payments Corporation of India
“NRE Account”	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
“NRI” or “Non-Resident Indian”	person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.
“NRO Account”	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
“NSDL”	National Securities Depository Limited.
“NSE”	National Stock Exchange of India Limited.
“OCB” or “Overseas Corporate Body”	An entity de-recognised through Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Issue.
“OCI”	Overseas Citizen of India
“ODI”	Offshore Deviation Instrument
“p.a.”	Per annum
“P/E Ratio”	Price/earnings ratio
“PAN”	Permanent account number
“PAT”	Profit After Tax
“RBI”	The Reserve Bank of India
“Regulation S”	Regulation S under the U.S. Securities Act
“RoNW” or “Return on Net Worth”	Restated profit after tax attributable to equity shareholders of our Company divided by total equity attributable to the equity shareholders of our Company at period/year-end.
“RTGS”	Real Time Gross Settlement
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SCORES”	SEBI complaints redress system
“SCRA”	Securities Contracts (Regulation) Act, 1956
“SCRR”	Securities Contracts (Regulation) Rules, 1957
“SEBI”	Securities and Exchange Board of India constituted under the SEBI Act
“SEBI Act”	Securities and Exchange Board of India Act, 1992
“SEBI AIF Regulations”	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 as amended from time to time
“SEBI BTI Regulations”	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 as amended from time to time.
“SEBI FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 as amended from time to time
“SEBI FVCI Regulations”	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time.
“SEBI ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time
“SEBI Insider Trading Regulations”	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

Term	Description
“SEBI Listing Regulations” “SEBI LODR Regulation”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time
“SEBI Merchant Bankers Regulations”	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended from time to time.
“SEBI Mutual Funds Regulations”	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time.
“SEBI VCF Regulations”	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
“STT”	Securities transaction tax
“State Government”	The government of a state in India
“Takeover Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
“Trademarks Act”	Trademarks Act, 1999
“TAN”	Tax deduction account number
“U.S.” or “USA” or “United States”	United States of America, its territories and possessions, any State of the United States, and the u
“USD” or “US\$” or “U.S. Dollar” or “U.S. Dollars”	United States Dollars
“U.S. Securities Act”	U.S. Securities Act of 1933, as amended
“VAT”	Value Added Tax
“VCFs”	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
“YoY”	Year over year

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

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association of Our Company”, “Statement of Possible Tax Benefits”, “Industry Overview”, “Regulations and Policies”, “Restated Financial Statements”, “Outstanding Litigations and Material Developments” and “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.

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## FORWARD – LOOKING STATEMENTS

All statements contained in this Draft Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Prospectus regarding matters that are not historical facts. We have included statements in the Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forwardlooking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- (1) Our manufacturing facility and our registered office is situated at Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India resulting in concentration in a single region. Any interruption for a significant period of time, in these facilities may in turn adversely affect our business, financial condition and results of operations.
- (2) We have only one Manufacturing Facility, continued operations of our manufacturing facility is critical to our business and any disruption in the operation of our manufacturing facility may have a material adverse effect on our business, results of operations and financial condition.
- (3) Our historical revenues have been largely dependent on few customers and our inability to maintain such business may have an adverse effect on our results of operations;
- (4) Our results of operations and cash flows could be adversely affected, if we are unable to collect our dues and receivables from, or invoice our unbilled services to, our clients;
- (5) Majority portion of our domestic sales are derived from the western zone and any adverse developments in this market could adversely affect our business;
- (6) Volatility in the supply and pricing of our raw materials, or failure by suppliers to meet their obligations, may have an adverse effect on our business, cash flows, financial condition and results of operations;
- (7) There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013 during the last five years. Any penalty or action taken by any regulatory authorities in future for noncompliance with provisions of corporate and other law could impact the financial position of the Company to that extent;
- (8) Non-Compliance with Section 185 of the Companies Act, 2013, may result in regulatory penalties and adverse implications;
- (9) We are subject to strict quality requirements and are consequently required to incur significant expenses to maintain our product quality. Any failure to comply with such quality standards may lead to cancellation of existing and future orders which may adversely affect our reputation, financial conditions, cash flows and results of operations;
- (10) Our inability to accurately forecast demand for our products, and accordingly manage our inventory, may have an adverse effect on our business, cash flows, financial condition and results of operations;
- (11) Our proposed capacity expansion plans relating to our manufacturing facility are subject to the risk of unanticipated delays in implementation and cost overruns ;
- (12) Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance

For further discussion of factors that could cause our actual results to differ, see the Section titled “*Risk Factors*”;

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*“Business Overview” and “Management’s Discussion and Analysis of Financial Position and Results of Operations”* beginning on page 29, 127, 233 respectively of the Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to 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 to be a guarantee of our future performance.

Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this 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 Prospectus, including the sections entitled “Risk Factors”, “Industry Overview”, “Outstanding Litigation and Material Developments”, “Our Promoters and Promoter Group”, “Financial Statements as Restated”, “Objects of the Issue”, “Our Business”, “Issue Procedure” and “Main Provisions of Articles of Association” on page 29, 113, 246, 180, 187, 88, 127, 276 and 313 respectively of this Draft Prospectus.

### OVERVIEW OF BUSINESS

Our Company is engaged in the designing and manufacturing of high-performance solid carbide cutting tools catering to various industries in India. Additionally, we provide reconditioning services for used tools, ensuring their extended usability and performance. We specialize in producing a wide range of high-performance cutting tools, including end mills, thread mills, drills, and reamers, offering innovative tooling solutions. These tools are widely used in commercial metal cutting operations across multiple industries. Our cutting tools are designed for use on CNC machines such as Horizontal Machining Centres (HMCs), Vertical Machining Centres (VMCs) and turn-mill centres. They operate at high speeds and feed rates, efficiently machining a variety of metals, including cast iron, forgings, steel and aluminium.

For details, please refer “Our Business” on page 127 of this Draft Prospectus.

### OVERVIEW OF INDUSTRY

The Indian market is known for being one of the most price-competitive in the world when it comes to cutting tools. This market produces a broad spectrum of tools, including saw blades, taps, reamers, hobs, chasers, broaches, rolling dies, drills, end mills, cutters, burrs, gear cutting tools, tool bits, tips or inserts, and many more. These tools are crucial for the removal of material from metallic work pieces, ensuring precision and efficiency in manufacturing processes.

The cutting tools market was valued at USD 77.24 billion in 2019 and is projected to reach USD 101.48 billion by 2027, growing at a CAGR of 4.2% during the forecast period. The increasing demand for metal cutting equipment from various industries, including aerospace, defense, automotive, and industrial machinery, is a significant driver of this growth.

Since, carbide cutting tools excel at precision machining, it is fast gaining prominence and is expected to continue to lead the pack of cutting and machining solutions, rising at a considerable rate during the forecast period, between 2024 and 2031, globally. The global carbide cutting tools market has risen steadily since 2023, and with the rising adoption of strategies by major players, the market is expected to rise over the projected horizon.

For details, please refer “Industry Overview” on page 113 of this Draft Prospectus.

### NAME OF PROMOTER

The Promoters of our Company are Mr. Vipulbhai Laljibhai Ghonia and Mr. Kamalbhai Laljibhai Ghonia, for detailed information please refer to Chapter titled “Our Promoters and Promoter Group” on page 186 of this Draft Prospectus.

### SIZE OF THE ISSUE

The following table summarizes the details of the Issue. For further details, see “The Issue” and “Issue Structure” on pages 60 and 272, respectively.

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<b>Issue</b>	The Issue comprises of a fresh Issue of 15,00,000 Equity Shares of our Company at an Issue Price of Rs. 110 Equity Share. We intend to utilize the proceeds of the Issue
<i>of which</i>	
<b>Fresh Issue (1)</b>	Up to 15,00,000 Equity Shares aggregating up to Rs. 1,650 Lakhs
<b>Offer for Sale</b>	NIL

<sup>(1)</sup> The Issue has been authorized by the Board of Directors vide a resolution passed at their meeting held on 16<sup>th</sup> November 16, 2024 and by the Shareholders of our Company, vide a special resolution passed pursuant to the Companies Act, 2013 at the Extra Ordinary General Meeting held on December 19, 2024.

The Issue will constitute 56,58,400 of the post Issue paid up Equity Share capital of our Company.

## OBJECTS OF THE ISSUE

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

(₹. in Lakhs)

Sr. No.	Purpose	Net Proceeds
1.	Purchase and installation of plant and machinery for Carbide Precision Tools at the Existing Premises (factory at Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India to be referred to as the "Existing Premises")	690.23
2.	Purchase of Software for Automation	57.85
3.	Funding of working capital requirements	501.92
4.	General corporate purposes	[•]
	Total	[•]

\* The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds of the Issue.

## PRE-ISSUE SHAREHOLDING OF THE PROMOTER AND PROMOTER GROUP

Our Promoter and Promoter Group members are collectively holding 39,99,498 Equity Shares of our Company aggregating to 96.18% of the pre-Issue paid-up share capital of our Company. Following are the details of shareholding of Promoter and Promoter group members:

Sr No.	Name of the Shareholder	Pre-issue		Post-issue	
		No. of Equity Shares	% of pre-issue capital	No. of Equity Shares	% of post-issue capital
(I)	(II)	(III)	(IV)	(V)	(VI)
<b>A)</b>	<b>Promoter</b>				
1)	Vipulbhai Laljibhai Ghonia	6,65,660	16.01%	[•]	[•]
2)	Kamalbhai Laljibhai Ghonia	6,66,160	16.02%		
	<b>Sub Total (A)</b>	<b>13,31,820</b>	<b>32.03%</b>	[•]	[•]
<b>B)</b>	<b>Promoter Group</b>				
1)	Kiranben Vipulbhai Ghonia	6,66,670	16.03%	[•]	[•]
2)	Pritiben Kamalbhai Ghonia	10,60,996	25.51%	[•]	[•]
3)	Jayaben Laljibhai Ghonia	9,39,012	22.58%	[•]	[•]
4)	Khushi Ghoiya	500	0.01%	[•]	[•]



5)	Kairavi Patoliya	500	0.01%	[•]	[•]
	<b>Sub Total (B)</b>	<b>26,67,678</b>	<b>64.15%</b>	[•]	[•]
	<b>Total (A+B)</b>	<b>39,99,498</b>	<b>96.18%</b>	[•]	[•]

**Note:** There is no Offer for Sale from the existing shareholders of the Company in the present issue of the Issuer.

For further details, see the chapter titled “**Capital Structure**” beginning on page 74 of this Draft Prospectus.

### SUMMARY OF FINANCIAL INFORMATION

The following information has been derived from our Restated Financial Statements for the last three financial years:  
(Rs. in lakh except per share data)

Particulars	For the period ended July 31, 2024	For the period ended March 31, 2024	For the period ended March 31, 2023	For the period ended March 31, 2022
Equity Share capital	200.00	200.00	200.00	200.00
Net Worth	452.68	359.67	202.14	210.06
Revenue from operations	358.56	1052.95	1032.15	1007.05
Profit / (Loss) After Tax	93.01	157.53	(7.92)	(19.52)
Basic earnings per Share	2.33	3.94	(0.20)	(0.49)
Diluted earnings per Share	2.33	3.94	(0.20)	(0.49)
Net Asset Value per Equity Share	22.63	17.98	10.11	10.50
Total Borrowings <sup>(1)</sup>	929.18	753.84	945.42	1046.71

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

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

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

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

^**Total Borrowings** = Restated Long-Term Borrowings Plus Restated Short-Term Borrowings.

Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year 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 total number of days during the period/year.

Note: Company has issued Bonus equity shares in the ratio of 1: 1 as on September 19, 2024.

For further details, see the chapter titled “**Financial Statements as Restated**” beginning on page 187 of this Draft Prospectus.

### AUDITORS QUALIFICATIONS

There are no auditor qualifications which have not been given effect to in the Restated Financial Statements.

### SUMMARY OF OUTSTANDING LITIGATION

A summary of outstanding litigation proceedings as on the date of this Draft Prospectus as disclosed in the section titled “**Outstanding Litigation and Material Developments**” in terms of the SEBI (ICDR) Regulations and the Materiality Policy is provided below:

(Amount in Lakhs)

Name of Entity	Criminal Proceedings	Tax Proceedings		Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigation	Aggregate amount involved (Rs in Lakhs)*
		Indirect tax	Direct tax				
<b>Company</b>							
By the Company	-	-	-	-	-	-	-
Against the Company	-	2	3	-	-	-	45.42
<b>Directors (Other than Promoters)</b>							
By our Directors	-	-	1	-	-	-	0.48
Against Directors	-	-	-	-	-	-	-
<b>Promoters</b>							
By Promoters	-	-	2	-	-	-	3.84
Against Promoters	-	-	-	-	-	-	-
<b>Group Companies</b>							
By our Group Companies	-	-	-	-	-	-	-
Against Our Group Companies	-	-	-	-	-	-	-

*\*To the extent quantifiable and ascertainable.*

For detailed information please refer page 246 of this Draft Prospectus under Chapter titled **“Outstanding Litigation and Material Developments”**.

#### **RISK FACTORS**

Investors should see **“Risk Factors”** beginning on page 29 of this Draft Prospectus to have an informed view before making an investment decision.

#### **CONTINGENT LIABILITIES**

Our company does not have any contingent liabilities as at July 31, 2024 and for the Financial Year ended on March 31, 2024, 2023 and 2022.

For detailed information on the Contingent Liabilities on our Company, please refer “*Financial Statements as Restated*” beginning on page 187 of this Draft Prospectus.

#### SUMMARY OF RELATED PARTY TRANSACTIONS

Following is the summary of the related party transactions entered by the Company (based on Restated Financial Statements) for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022:

(Rs. In lakhs)

Particulars	For the period ended July 31, 2024	For the period ended March 31, 2024	For the period ended March 31, 2023	For the period ended March 31, 2022
<b>Directors, their Relatives &amp; enterprises influenced by KMP</b>				
Salary	11.00	36.00	21.60	21.60
Loan Received	83.95	484.77	133.97	148.38
Loan Repaid	126.83	485.15	107.13	78.20
Interest	-	33.55	36.77	27.47
Reimbursement for Exp. Incurred on company behalf	0.30	25.54	-	-
<b>Balances at the end</b>				
Due to Directors, their Relatives & enterprises influenced by KMP	278.57	350.19	371.34	260.20

For further details, kindly refer “Restated Financial Information –Related Party Disclosures under AS 18” from the chapter titled “Restated Financial Information” on Page No. 187 of this Draft Prospectus.

#### FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, the directors of the Company which are promoters of the Company, the directors of the Company and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business, of the financing entity during a period of six months immediately preceding the date of this Draft Prospectus (has been confirmed from Capital Structure/promoter and promoter group).

#### WEIGHTED AVERAGE PRICE AT WHICH EQUITY SHARES ACQUIRED BY EACH OF OUR PROMOTER DURING THE LAST ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

The Promoter of our Company have acquired the Equity Shares of the Company during the past one year preceding the date of this Draft Prospectus are as follows:

Name of Promoters	Number of Equity Shares	Weighted average price per Equity Share (in ₹)*
Mr. Vipulbhai Laljibhai Ghonia	0	0.00
Mr. Kamalbhai Laljibhai Ghonia	0	0.00

\*As certified by Statutory Auditor VSSB & Associates, Chartered Accountant dated 24/01/2024, UDIN No. 25109944BMGPFK2460

#### AVERAGE COST OF ACQUISITION OF SHARES

The average cost of acquisition of subscription of equity shares by our promoters are set forth in the table below:

Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in Rs.) *
Mr. Vipulbhai Laljibhai Ghonia	6,65,660	5.00
Mr. Kamalbhai Laljibhai Ghonia	6,66,160	5.00

\*As certified by Statutory Auditor VSSB & Associates, Chartered Accountant dated 24/01/2025, UDIN No. 25109944BMGPFK2460

**Note: There is no offer for sale from the existing shareholders of the company in the present issue of the Issuer.**

Further details of the acquisition of Equity Shares of our Promoters, see “**Capital Structure – Buildup of the Equity Shareholding of our Promoters in our Company**” beginning on page 74 of this Draft Prospectus.

#### **PRE-IPO PLACEMENT**

Our company has issued 1,58,400 Fully Paid-up Equity Shares at face value of Rs 10/- each and at a premium of Rs. 97/- per share made to the allottee on Private Placement basis:

Date of Allotment of Equity Shares	Number of Equity Shares Allotted	Face Price per Equity Shares	Issue Price per Equity Shares	Nature of allotment	Nature of consideration
October 03, 2024	1,58,400	10	107	Private Placement	Cash

#### **ISSUE OF SHARE FOR CONSIDERATION OTHER THAN CASH**

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of filing of this Draft Prospectus:

Date of Allotment of Equity Shares	Number of Equity Shares Allotted	Issue Price per Equity Shares	Nature of allotment	Nature of consideration
September 19, 2024	20,00,000	Nil	Bonus issue in the ratio of 1 Equity Shares for every Equity Share held by existing Shareholders	Other than cash

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

Our Company has not undertaken a split or consolidation of the Equity Shares in the six months preceding the date of this Draft Prospectus.

#### **SEBI EXEMPTIONS**

Our Company has not been granted any exemption from complying with any provisions of securities laws by SEBI

### SECTION III – RISK FACTORS

*An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties summarized below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page numbers 127 and 233, respectively, of this Draft Prospectus as well as the other financial and statistical information contained in this Draft Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled “Financial Information, as Restated” beginning on page number 187 of this Draft Prospectus.*

*If any one or more of the following risks as well as other risks and uncertainties discussed in the Draft Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.*

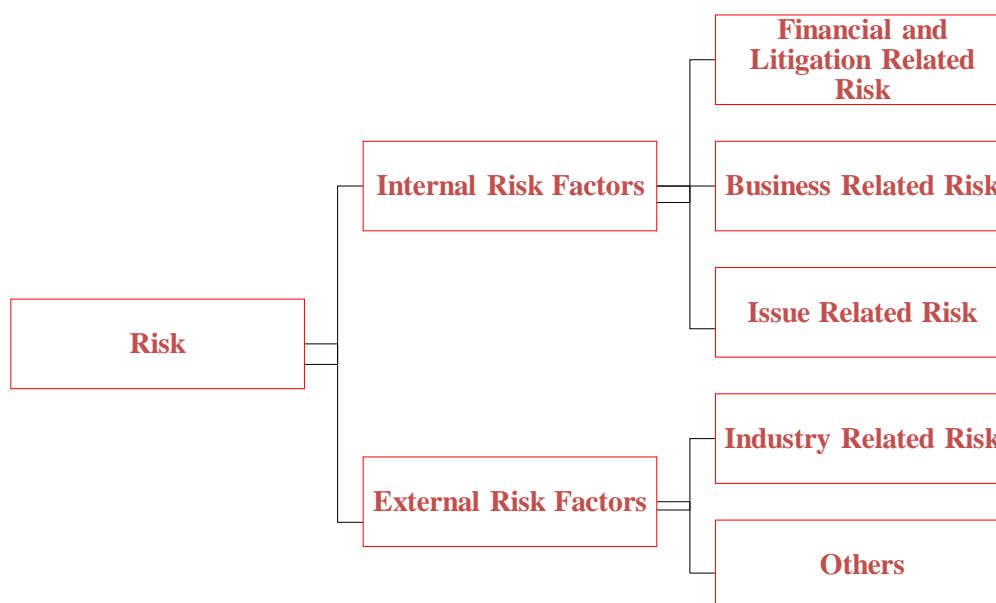
*This Draft Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Prospectus. These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.*

#### **Materiality**

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

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

## Classification of Risk Factors:



### Note:

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

*In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” beginning on page 29 and “Management Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 233 unless otherwise indicated, has been calculated based on the amount disclosed in the “Restated Financial Statements”.*

## INTERNAL RISKS RELATED TO OUR BUSINESS

- Our manufacturing facility and our registered office is situated at Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India resulting in concentration in a single region. Any interruption for a significant period of time, in these facilities may in turn adversely affect our business, financial condition and results of operations.***

Our Registered office and factory and all the existing contract manufacturers facility are based in Gujrat. Thereby resulting in concentration in a single region, posing a concentration risk. The occurrence of any significant localized social unrest, natural disaster, delay in production at, or shutdown of, or any interruption, including political instability, workforce productivity issues, regulatory compliance challenges, production cost difficulties, or quality assurance concerns, along with unforeseeable events such as natural disasters or pandemics like COVID-19 in or around Gujrat, or any delay or disruption in production at our manufacturing units could significantly impact our business and financial condition.

The concentration in Gujrat heightens our exposure to adverse developments related to competition, as well as economic, political, demographic and other changes in the state of Gujrat, which may have a material adverse effect on our business, financial condition and results of. Any localized social unrest, natural disaster or breakdown of

services or any other natural disaster in and around Gujrat or any disruption in production at, or shutdown of, our manufacturing facilities could have material adverse effect on our business and financial condition.

Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state government or state or local governments in this region could adversely affect manufacturing operations, and require a modification of our business strategy, or require us to incur significant capital expenditure or suspend our operations. Our business is dependent upon our ability to manage our manufacturing activities, which are subject to various operating risks, including political instability, productivity of our workforce, compliance with regulatory requirements, difficulties with production costs, product quality and those beyond our control, such as the breakdown and failure of equipment or industrial accidents, disruption in electrical power or water resources, severe weather conditions, natural disasters and an outbreak of any pandemic. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Moreover, some of our products are permitted to be manufactured only at such facility which has received specific approvals, and any shutdown of such facility will result in us being unable to manufacture a product for the duration of such shutdown. Our inability to effectively respond to any shutdown or slowdown and rectify any disruption, in a timely manner and at an acceptable cost, could lead to delays in the entire production cycle and an inability to comply with our customers' requirements and lead to loss of revenue to us and our customers. Although we have not experienced any strikes or labor unrest in the past three years, we cannot assure you that we will not experience disruptions in work in the future due to disputes or other problems with our work force. Any labor unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations, which in turn could adversely affect our business, results of operations, financial condition and cash flow.

**2. *We have only one Manufacturing Facility, continued operations of our manufacturing facility is critical to our business and any disruption in the operation of our manufacturing facility may have a material adverse effect on our business, results of operations and financial condition.***

As of the date of this Draft Prospectus, we operate a single manufacturing facility located at Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India dedicated to the designing and manufacturing of high-performance solid carbide cutting tools. The operation of this facility is subject to inherent risks, including but not limited to the unavailability of critical spare parts, machinery breakdowns, obsolescence or failure of production equipment, disruptions in power supply, and performance inefficiencies. Additionally, unforeseen events such as local social unrest, natural disasters, or interruptions in essential utilities could materially and adversely affect our business, financial condition, and operational results. Any prolonged shutdown of the manufacturing unit could significantly impact our ability to meet supply commitments, thereby adversely affecting our earnings, financial condition, and overall operations. Rising living costs in the vicinity of the facility may result in increased labour expenses, potentially eroding our profit margins and cost competitiveness. Moreover, any industrial accidents or safety incidents could compel us to suspend operations, impairing our ability to meet production schedules and contractual obligations, which could negatively impact our business. We cannot guarantee that we will not experience work stoppages or disruptions resulting from labor disputes or other employment-related issues, which could materially affect our production schedules and have an adverse impact on our business, financial condition, cash flows, and results of operations.

**3. *Our historical revenues have been largely dependent on few customers and our inability to maintain such business may have an adverse effect on our results of operations.***

For the period ended March 31, 2022, March 31, 2023, March 31, 2024 and July 31, 2024, our revenue from operations from our top 10 customers contributed to 45.50%, 50.09%, 56.45% and 62.00% respectively of our revenues from operations as per our Restated Financial Statements. Our reliance on a limited number of customers for our business exposes us to risks, that may include, but are not limited to, reductions, delays or cancellation of orders from our significant customers, a failure to negotiate favourable terms with our key customers or the loss of these customers, all of which would have a material adverse effect on the business, financial condition, results of operations, cash flows and future prospects of our

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Company.

The details of Top 1, Top 5 and Top 10 customers and their revenue contribution for past three years and stub period of our Company are as follows:

(₹ in lakhs, except for percentages)

Sr. No.	Particulars	Period ended July 31, 2024		For Financial Year					
				Mar-24		Mar-23		Mar-22	
		Revenue	%	Revenue	%	Revenue	%	Revenue	%
1	Top 1 Customer	53.40	14.89%	133.41	12.67%	89.48	8.67%	93.51	9.29%
2	Top 5 customers	165.18	46.06%	416.06	39.51%	356.93	34.52%	309.09	30.69%
3	Top 10 customers	222.30	62.00%	594.43	56.45%	516.98	50.09%	458.19	45.50%

(1) Percentage (%) is calculated as a percentage of Total Sale of Products

In addition, we have not entered into long term agreements with our customers and the success of our business is accordingly significantly dependent on maintaining good relationship with them. The loss of one or more of these significant customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. Further, there is no guarantee that we will retain the business of our existing key customers or maintain the current level of business with each of these customers. In order to retain some of our existing customers, we may also be required to offer terms to such customers which may place restraints on our resources.

Additionally, our revenues may be adversely affected if there is an adverse change in any of our customers' supply chain strategies or a reduction in their outsourcing of products we offer, or if our customers decide to choose our competitors over us or if there is a significant reduction in the volume of our business with such customers. We cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

Further, the sales volume may vary due to our customers' attempts to manage their inventory, market demand, product and supply pricing trends, change in customer preferences etc., which may result in decrease in demand or lack of commercial success of our products, which could reduce our sales and adversely affect our business, cash flows, results of operations and financial condition. In addition, we are exposed to payment delays and/or defaults by our major customers and our financial position and financial performance are dependent on the creditworthiness of our customers. There is no guarantee that all or any of our customers will honor their outstanding amounts in time and whether they will be able to fulfill their obligations, due to any financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur from all or any of our major customer, our financial performance and our operating cash flows may be adversely affected.

**4. Our results of operations and cash flows could be adversely affected, if we are unable to collect our dues and receivables from, or invoice our unbilled services to, our clients.**

This creates a constant risk of unpaid receivables. If a client defaults or goes bankrupt, it could severely impact our cash flow and operations, potentially forcing us to raise funds to sustain the business. There is no guarantee that we will be able to secure sufficient funding or obtain it at favorable terms, which could significantly affect our operations and hence the profitability. Timely collection of fees for client services also depends on our ability to complete our contractual commitments and subsequently bill for and collect our contractual service fees. If we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our client balances, and if this occurs, our results of



operations and cash flows could be adversely affected. Our results of operations and cash flows could be adversely affected, if we are unable to meet our contractual obligations, we might experience delays in the collection of, or be unable to collect, our client balances. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected. Additionally, delays in receiving payments could extend our working capital cycle and negatively impact our bottom line. However, we have never faced such a situation. we constantly monitor our receivables and keep in touch with our customers be it for their new requirements and our receivables. Due to such practice, we have never faced such an issue. Also, our billing is spread over number of invoices. Invoicing is usually done for the order received and produced. Typical an invoice runs from few thousands to couple of lakhs. In the essence, we have an operation akin to retail level. So if a particular customer has accumulated bills for which we need payment, we shall not take new orders until existing receivables are received partly or fully, though prerogative is on our management. This kind of operation thus ensures and protects us from having a considerable Non performing Asset on our books.

**5. Majority portion of our domestic sales are derived from the western zone and any adverse developments in this market could adversely affect our business.**

A significant portion of our sales come from customers in Gujarat State from the western zone. This geographical concentration increases our exposure to competition and potential adverse economic and demographic changes in the region, which could affect our business, financial condition, and operations.

(₹ in lakhs, except for percentage)

Regional Breakdown	Period ended July 31, 2024		For Financial Year					
			Mar-24		Mar-23		Mar-22	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
West <sup>(1)</sup>	349.86	97.57	1,007.67	95.69	980.15	94.96	964.89	96.83
North <sup>(2)</sup>	1.8	0.5	13.18	1.25	14.25	1.38	24.62	1.29
South <sup>(3)</sup>	6.9	1.93	32.1	3.06	37.27	3.58	17.33	1.79
East <sup>(4)</sup>	-	-	-	-	0.48	0.08	0.21	0.09
<b>Total</b>	<b>358.56</b>	<b>100</b>	<b>1,052.95</b>	<b>100.00</b>	<b>1032.15</b>	<b>100.00</b>	<b>1,007.05</b>	<b>100.00</b>

(1) West includes Maharashtra, Madhya Pradesh, Gujarat, Dadra and Nagar Haveli and Rajasthan.

(2) North includes New Delhi, Haryana, Punjab, Uttar Pradesh, Uttarakhand, and Himachal Pradesh.

(3) South includes Tamil Nadu, Kerala, Karnataka, Telangana.

(4) East includes West Bengal, and Jharkhand

As we expand into new markets and geographical areas, we may face competition from national and local players with established local presences and stronger relationships with local customers, government authorities, and suppliers. This could put us at a competitive disadvantage. While we believe we have the necessary expertise and vision to expand into other markets, investors should consider the risks, losses, and challenges we face and should not rely solely on our past performance as an indication of our future performance.

**6. Volatility in the supply and pricing of our raw materials, or failure by suppliers to meet their obligations, may have an adverse effect on our business, cash flows, financial condition and results of operations.**

The principal raw materials used in our manufacturing process include Carbide for making tools due to its exceptional hardness. The amount spent for the procurement of raw materials from our top ten suppliers, as a percentage of our total raw material purchases, was 99.36% in Fiscal 2024.

The table below sets forth the share of our top 3 and top 5 raw material suppliers (Solid carbide) in the total raw material purchases for stub period up to July 31<sup>st</sup> 2024, Financial Year 2024, 2023 and 2022:

(₹ in lakhs, except for percentage)

Particulars	FY 2021-22		FY 2022-23		FY 2023-24		For the period ended July 31, 2024	
	Purchase Amount	% Share of Total Purchase	Purchase Amount	% Share of Total Purchase	Purchase Amount	% Share of Total Purchase	Purchase Amount	% Share of Total Purchase
Top 1 supplier	225.82	87.35%	116.41	59.81%	92.30	55.39%	45.88	58.08%
Top 5 Suppliers	256.77	99.32%	193.75	99.55%	165.58	99.36%	78.75	99.70%
Top 10 Suppliers	258.46	99.97%	194.62	100.00%	166.64	100.00%	78.99	100.00%

Pursuant to the certificate dated, January 29, 2025 from our Statutory Auditor M/s V S S B & Associates, Chartered Accountants.

Though we have not faced any instances of difficulty in procuring the raw material. However, we cannot assure you that we will not face any such situations, or the procurement of raw material will be on commercially viable terms. Furthermore, any dispute with any of the suppliers may damage our relationship with existing and potential suppliers, and in any such event our operations will be adversely affected. Further it will also affect our profitability and reputation in the market. However, there were no past instance where we have experienced any losses due to loss of any vendor/ supplier.

Our ability to remain competitive, maintain costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of raw materials at acceptable prices. We do not have long term agreements with any of our raw material suppliers and we acquire such raw materials pursuant to our purchase orders from suppliers. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, tariff disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, the outbreak of infectious diseases such as COVID-19, tariffs and currency exchange rates and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. Further, discontinuation of such supply or a failure of these suppliers to adhere to the delivery schedule or the required quality could hamper our production schedule and therefore affect our business and results of operations. There can be no assurance that demand, capacity limitations or other problems experienced by our suppliers will not result in occasional shortages or delays in their supply of raw materials. Any delay in the supply or delivery of raw materials to us by our suppliers in may in turn delay our process of manufacture and delivery of products to our customers and this may have an adverse effect on our business, cash flows and results of operations. Additionally, our inability to predict market conditions may result in us placing supply orders for inadequate quantities of such raw materials. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them and on commercially acceptable terms. Further, the prices of raw materials used by us are volatile and are subject to various factors including fluctuation in commodity prices, global economic conditions and market speculation, among other factors.

**7. *There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 2013 during the last five years. Any penalty or action taken by any regulatory authorities in future for noncompliance with provisions of corporate and other law could impact the financial position of the Company to that extent.***

In the past, there have been some instances of delays/ non-filing/ non-compliance with certain statutory authorities with certain provision of statutory regulations applicable to us such as:

- The Company has filed an ADT-1 for appointment of Auditor for the period 2015-2019, the details mentioned in the form related to auditor are not correct which may attract penalty for giving false information.
- Violation of Section 185- Loan to director, Rs. 9,20,000 given to Director's spouse and Rs. 77,10,503 given to Spouse Firm.
- Form 23 ACA for 2013-14 filed with MCA in which Board report and other annexures are attached without director's sign.
- Cash Flow Statement not attached with form AOC-4 filed with ROC for the F.Y. 16-17 may attract penalty as per Section 129 and 134 of Companies act 2013.
- DPT-3 filed with ROC for the F.Y.'s 19-20, 20-21, the company has not disclosed advance received from customers, which may attract penalty in future.
- There is clerical errors related to amount of director remuneration disclosed in MGT-7 filed for the F. Y. 14-15.
- Note on AS-18 missing in the Financials filed in AOC-4 for the F.Y.'s 2015-2021, may attract penalty under section 134 of the Companies act, 2013.
- The Company has not filed CHG-1 form of charge creation as they were under impression that the Lender Bank file the forms, it may attract penalty in future although most of the loans are repaid.
- No Resolutions found in case of remuneration paid to Directors, which may attract penalty.

Also, few documents filed with Registrar of Companies was not properly signed and on proper letterhead was used by the Company in terms of provisions of Companies Act, 2013/ 1956. Although the late filing fees levied are small but if we continue this practice, the accumulated amounts of each delay may adversely affect our cash flows. Although no- show cause notice has been issued against our Company till date, in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

Further we cannot assure that we may not do delay filings in future and not be subjected to penalty or interest. Further with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, 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, in a timely manner or at all. While no legal proceedings or regulatory action has been initiated against our Company in relation to above mentioned non-compliance or instances of non filing or incorrect filings or delays in filing statutory forms with the RoC as of the date of this Draft Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to penalties imposed by concerned regulatory authorities in this respect. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

**8. *Non-Compliance with Section 185 of the Companies Act, 2013, may result in regulatory penalties and adverse implications.***

Our Company had extended loans to the relatives of a director, including Mrs. Kiran Vipul Ghonia in FY 2022-23 and FY 2023-24, and to M/s. Shine Engineering, a proprietorship firm of Mrs. Pritiben Ghonia, in

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multiple financial years from FY 2020-21 to FY 2023-24. These transactions were in contravention of Section 185 of the Companies Act, 2013, which prohibits loans to directors and their relatives. Upon recognizing this non-compliance, the entire loan amount was fully repaid by the concerned relatives of the director. Our Company has now applied to the Registrar of Companies, Ahmedabad, for compounding of this offence under Section 441 of the Companies Act, 2013. There is no assurance that the authorities will grant relief, and any adverse ruling may result in penalties or regulatory actions against the company. Such non-compliance may impact the company's reputation, financial position, and ability to raise future capital. Additionally, any similar regulatory lapses in the future could lead to stricter enforcement and legal consequences.

- 9. *We are subject to strict quality requirements and are consequently required to incur significant expenses to maintain our product quality. Any failure to comply with such quality standards may lead to cancellation of existing and future orders which may adversely affect our reputation, financial conditions, cash flows and results of operations.***

We specialize in the manufacture and supply of high- performance cutting tools, specializes in providing innovative tooling solutions which includes end mills, drills and reamers. Additionally, the company provides regrinding, re-sharpening and coating services to enhance the performance and longevity of these tools. Given the nature of our products and the sector in which we operate, our customers have high and exacting standards for product quality as well as delivery schedules. Adherence to quality standards is a critical factor in our manufacturing process as any defects in the products manufactured by our Company or failure to comply with the technical specifications of our customers may lead to the cancellation of the orders placed by our customers. Also it may affect future orders from other customers as well. Our brand may get tarnished and it may hurt us financially. It may cause significant loss of orders and hence our cash flows and sustainability may be affected.

However, we have never experienced such an event or any of the tools not meeting their desired work performance and the desired quality. We employ Zoller based 3 axle and 5 axle machines to inspect for the quality and to conform with the technical specification desired by the client. It's a contactless procedure. Its gives a complete detail of the tool produced with respect to the quality and the technical specification of the product. Hence, we are quiet protected and shielded from such a risk.

- 10. *Our inability to accurately forecast demand for our products, and accordingly manage our inventory, may have an adverse effect on our business, cash flows, financial condition and results of operations.***

Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, cash flows, financial condition and results of operations. We do not have firm commitment long term supply agreements with our customers and instead rely on short term purchase orders to govern the volume and other terms of the sales of products. Accordingly, we plan our production volumes based on our forecast of the demand for our products. Any error in forecasting could result in surplus stock which would have an adverse effect on our profitability. Our high level of inventory may increase the risk of loss and storage costs to us as well as increasing the need for working capital to operate our business. Further, as our customers are not obliged to purchase our products or provide us with a binding long-term commitment, there can be no assurance that customer demand will match our production levels. On the other hand, in the event that the demand we have forecasted is lower than the actual demand of our products, and we are unable to ramp up production to match such demand, we may be unable to supply the requisite quantity of products to our customers in a timely manner. Any increase in our turn-around time could affect our production schedules and disrupt our supply, which could have an adverse effect on our business, cash flows, financial condition and results of operations.

However, we proactively engage with our client on a periodic basis. We have our clients visiting our manufacturing facility as well we follow their requirement and industry practices. These practices help us

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to formulate better strategies and forecast the demand in proper way and have optimal inventory to not strain our resources.

**11. *Our proposed capacity expansion plans relating to our manufacturing facility are subject to the risk of unanticipated delays in implementation and cost overruns.***

We intend to use a part of the Net Proceeds towards expansion of our manufacturing facility at Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India.

For further information, refer “Objects of the Issue” on page 88 of this Draft Prospectus. Our expansion plans remain subject to the potential problems and uncertainties including cost overruns or delays. Problems that could adversely affect our expansion plans include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facility, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, incremental pre- operating expenses, taxes and duties, interest and finance charges, working capital margin and other external factors which may not be within the control of our management. There can be no assurance that the proposed capacity additions and expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements.

If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficiently to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

**12. *Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

As of March 31, 2024 our capacity utilization was 86.00% wherein our installed capacity is One Lakh pieces and One Lakh Twenty Four Thousands Nine Hundred Ninety Eight per anum respectively. Our capacity utilization levels are dependent on our ability to procure sufficient work orders and also to carry out uninterrupted operations at manufacturing facility, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our customers. In the event we face prolonged disruptions at our facilities including due to interruptions in the supply of water, electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition. Further, we intend to use a part of the Net Proceeds towards expansion of our existing manufacturing facility at Survey no.63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot, Gujarat, India. Adequate utilization of our expanded capacities is subject to various factors beyond our control and in case of oversupply in the industry or lack of demand, we may not be able to utilise our expanded capacities efficiently.

For further information, see “Our Business - Capacity and Capacity Utilization” on page 127 of this Draft Prospectus. These rates are not indicative of future capacity utilization rates, which is dependent on various factors, including demand for our products, availability of raw materials, our ability to manage our inventory and improve operational efficiency. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could materially and adversely impact our business, growth prospects and future financial performance.

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However, we are confident of using our production capacity and have optimal utilization capacity. This is because of our ability in utilizing our capacity at optimal levels in the past and our also on our ability to procure sufficient new work orders in the light of new capacity addition purely due to our relationship with existing clients. We see sufficient incremental demand for our products due to the capacity additions by our clients and on the back of acquiring new clients in the future.

- 13. *Our business operations are majorly concentrated in certain geographical regions and any adverse developments affecting our operations in these regions could have a significant impact on our revenue and results of operations.***

For the period ended March 31, 2022, March 31, 2023, March 31, 2024 and from April'24 to July 24 our major revenue from our customers situated in Gujarat contributed 91.53%, 89.96%, 88.95% and 89.51% respectively of total revenue.

Due to the geographical concentration of our manufacturing operations in Gujrat, our operations are susceptible to local, regional and environmental factors, such as social and civil unrest, regional conflicts, civil disturbances, economic and weather conditions, natural disasters, demographic and population changes, and other unforeseen events and circumstances. Such disruptions could result in the damage or destruction of a significant portion of our manufacturing abilities, significant delays in the transport of our products and raw materials, loss of key managerial personnel, and/or otherwise adversely affect our business, financial condition and results of operations. In addition, we generate major domestic sales through our customers situated in Gujarat. Such geographical concentration of our business in this region heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in this region, which may adversely affect our business prospects, financial conditions and results of operations. Further, as we enter into new markets and geographical areas, we are likely to compete with other players, who might have an established presence, and are more familiar with business practices and have stronger relationships with local customers, relevant government authorities, suppliers or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into other areas may adversely affect our business prospects, financial conditions and results of operations. While our management believes that the Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we face and should not rely on our results of operations for any prior periods as an indication of our future performance.

- 14. *We are subject to competition from both organized and unorganized players in the market, which may significantly affect the fixation and realisation of the price for our product, which may adversely affect our business operation and financial condition.***

The market for our products is competitive on account of existence of both the organized and unorganized players. Competition occurs generally on the key attributes such as quality of products, sales network, pricing and timely delivery. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to adopt faster in changing market scenario and remain competitive. Moreover, the unorganized sector can offer their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition. We operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier, which may adversely affect our business, results of operations and financial condition.

- 15. *We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for such capital expenditure machinery.***
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We intend to utilize a portion of the Net Proceeds for funding capital expenditure for expansion of the production capacity at Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India. While we have obtained quotations from different vendors in relation to the major machinery and equipment required for funding such capital expenditure, we are yet to place orders for such machinery and equipment. Accordingly, orders which constitute 100% of the total estimated costs in relation to expansion of the production capacities at our factory are yet to be placed. There can be no assurance that we will be able to place orders for such machinery and equipment in a timely manner or at all. Further, in the event of any delay in placement of such orders, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

**16. Our Company may incur penalties or liabilities for non-compliance with certain provisions of the GST Act, Income Tax and other applicable laws in previous years.**

Our Company has incurred penalties or liabilities for non-compliance with certain provisions including lapsed/ made delay in certain filings and/or erroneous filing/ non-filing of e-forms under applicable acts to it in the past years including EPF, ESIC and GST. Such non-compliances/delay Compliances/ erroneous filing/ Non-Filing/ Non-Registration may incur penalties or liabilities which may affect the results of operations and financial conditions of the company in near future.

The details of late filings in past years are given below:

**GST:**

Financial Year	Return Month	Return Type	Due Date	Filing Date	Delayed Number of Days
2021-22	April	GSTR3B	20.05.2021	23.08.2021	20
2021-22	May	GSTR3B	20.06.2021	23.08.2021	22
2021-22	June	GSTR3B	20.07.2021	24.08.2021	19
2021-22	July	GSTR3B	20.08.2021	09.10.2021	9
2021-22	August	GSTR3B	20.09.2021	29.10.2021	9
2021-22	September	GSTR3B	20.10.2021	25.11.2021	27
2021-22	October	GSTR3B	20.11.2021	17.12.2021	36
2021-22	November	GSTR3B	20.12.2021	29.12.2021	39
2021-22	December	GSTR3B	20.01.2022	29.01.2022	50
2021-22	January	GSTR3B	20.02.2022	11.03.2022	35
2021-22	February	GSTR3B	20.03.2022	11.04.2022	64
2021-22	March	GSTR3B	20.04.2022	10.05.2022	95
2022-23	July	GSTR-1	11.08.2022	12.08.2022	01
2022-23	February	GSTR-1	11.03.2023	14.03.2023	03
2022-23	March	GSTR-1	11.04.2023	18.04.2023	07
2022-23	April	GSTR-3B	24.05.2022	11.06.2022	18
2022-23	June	GSTR-3B	20.07.2022	12.08.2022	23
2022-23	July	GSTR-3B	20.08.2022	11.09.2022	22
2022-23	August	GSTR-3B	20.09.2022	11.10.2022	21
2022-23	September	GSTR-3B	20.10.2022	11.11.2022	21
2022-23	October	GSTR-3B	20.11.2022	10.12.2022	20
2022-23	November	GSTR-3B	20.12.2022	11.01.2023	22
2022-23	December	GSTR-3B	20.01.2023	11.02.2023	22
2022-23	January	GSTR-3B	20.02.2023	14.03.2023	22
2022-23	February	GSTR-3B	20.03.2023	18.04.2023	29
2022-23	March	GSTR-3B	20.04.2023	09.05.2023	19

2023-24	April	GSTR-3B	20.05.2023	10.06.2023	21
2023-24	May	GSTR-3B	20.06.2023	08.07.2023	18
2023-24	June	GSTR-3B	20.07.2023	10.08.2023	21
2023-24	July	GSTR-3B	20.08.2023	11.09.2023	22
2023-24	August	GSTR-3B	20.09.2023	10.10.2023	20
2023-24	September	GSTR-3B	20.10.2023	11.11.2023	22
2023-24	October	GSTR-3B	20.11.2023	11.12.2023	21
2023-24	November	GSTR-3B	20.12.2023	11.01.2024	22
2023-24	December	GSTR-3B	20.01.2024	11.02.2024	22
2023-24	January	GSTR-3B	20.02.2024	08.03.2024	17
2023-24	February	GSTR-3B	20.03.2024	09.04.2024	20
2023-24	March	GSTR-3B	20.04.2024	11.05.2024	21
2024-25	April	GSTR-3B	20.05.2024	10.06.2024	21

**TDS:**

Financial Year	Return Type	Due Date	Filing Date	Delayed Number of Days
2021-22	26Q	31.05.2021	07.10.2021	129
2022-23	24Q	31.05.2023	04.11.2021	157
2022-23	27EQ	15.05.2023	13.11.2024	548
2022-23	26Q	31.05.2023	04.10.2024	492
2023-24	24Q	31.05.2024	04.10.2024	126
2023-24	26Q	31.05.2024	04.10.2024	126

**ESIC:**

Financial Year	Return Month	Return Type	Due Date	Filing Date	Delayed Number of Days
The Company does not come under the purview of ESIC as the Company's manufacturing unit does not come under section 1(3) of the ESIC Act.					

**EPF:**

Financial Year	Return Month	Return Type	Due Date	Filing Date	Delayed Number of Days
The Company does not come under the purview of EPF					

Also, our Company has delayed in depositing TDS in a few occasions and Income tax payment for FY 2023-24 is yet to be paid. Further, we confirm that as on the date of this Draft Red Herring Prospectus all the dues have been paid by our company and aside from the late filing penalty, there are no additional risks associated with delayed filings. The company is committed to implementing measures to ensure timely submissions in the future.

**17. Low entry barrier of the business and ability to retain customer and acquire new customers in the face of huge competition.**

Our business does not have any regulatory body like IRDA, RBI, FSSAI, FDA, etc governing the industry as a whole. Products made in our industry are highly technical in nature. Clients require these tools for their operation. Any delay in production or our inability to conform to the best of the desired quality and technical specification can affect our sales. Hence, there is no significant entry barrier to the business since it is not a niche product. However apart from standard set of tools, we cater to clients in making customized tools



as well for them. Ability to service these clients on time with desired quality and technical specification is what sets one apart in this industry.

We have a number of local and MNC players who are into solid based carbide cutting tools and we directly compete with them to retain our clients and win new clients. Our ability to retain our clients hinges on various factors like pricing, lead time to produce, quality, better terms, client relationship, after sales, etc. To be able to keep ourselves ahead of our competitors, we have to be efficient from all perspective of manufacturing along with pricing. And lastly, its important to know the dynamics of the business and the industry, new methodologies, business cluster, types of new tools, know-how of processes, etc for much needed success in this industry. Our promoters Mr. Vipul Laljibhai Ghonia and Mr. Kamal Laljibhai Ghonia have kept our company in good stead so far with their knowledge and business acumen.

- 18. *Our continued operations are critical to our business and are subject to operating risks such as breakdown or failure of machinery, disruption to power sources or any temporary shutdown of our manufacturing facilities, in the event of which, our business, results of operations, financial condition and cash flows can be adversely affected.***

Our manufacturing facility is subject to operating risks, such as the breakdown or failure of machinery, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Our customers rely significantly on the timely delivery of our products and our ability to provide an uninterrupted and timely supply of our products is critical to our business. We also require substantial electricity for our manufacturing facilities which is sourced from state electricity boards. Our customer relationships, business and financial results may be materially adversely affected by any disruption of manufacturing operations, including as a result of any of the factors mentioned above.

- 19. *Our proposed capacity expansion plans relating to our manufacturing facility are subject to the risk of unanticipated delays in implementation and cost overruns.***

We intend to use a part of the Net Proceeds towards expansion of our manufacturing facility at Survey no.63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya,Gondal, Rajkot,,Gujarat, India.

For further information, refer “Objects of the Issue” on page 88 of this Draft Prospectus. Our expansion plans remain subject to the potential problems and uncertainties including cost overruns or delays. Problems that could adversely affect our expansion plans include labour shortages, increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facility, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, incremental pre- operating expenses, taxes and duties, interest and finance charges, working capital margin and other external factors which may not be within the control of our management. There can be no assurance that the proposed capacity additions and expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements.

If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

- 20. *We are heavily dependent on our Promoter and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.***
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Our success heavily depends upon the continued services of our Promoter and Key managerial personnel, particularly Mr. Vipulbhai Laljibhai Ghonia and Mr. Kamalbhai Laljibhai Ghonia. We depend significantly on them for executing our day to day activities. The loss of any of our Promoter or Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoter and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section “Our Management” on page 162 of this Draft Prospectus.

**21. *We have incurred losses in the past and may continue to do so in the future.***

We incurred losses in FY 2022 and FY 2023, amounting to ₹(19.52) lakhs and ₹(7.92) lakhs, respectively, as per the Restated Financial Statements. These losses were primarily due to increase in Job work charges and rent for premises etc. However, our revenue from operations has remained stable at ₹1,007.05 lakhs in FY 2022, ₹1,032.15 lakhs in FY 2023, and ₹1,052.95 lakhs in FY 2024, with a positive EBITDA of ₹185.06 lakhs, ₹188.60 lakhs, and ₹414.84 lakhs, respectively. There is no assurance that we will enhance procurement efficiency or improve our margins. Furthermore, rising costs may contribute to future losses. If we fail to achieve sufficient revenue growth and manage expenses effectively, we may continue to incur losses.

**22. *Our Promoters, Directors and Key Management Personnel have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoters, Directors and Key Management Personnel can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement, or loans advanced, provided by them to/for the Company, and benefits deriving from the directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and our Promoter Group. For further information, please refer to the chapters titled “Our Business”, “Our Promoter and Promoter Group” and Restated Financial Statements”, beginning on pages 127, 186 & 187 respectively of this Draft Prospectus.

**23. *Any variation in the utilization of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.***

We propose to utilize the Net Proceeds towards Purchase and installation of plant and machinery for Carbide Precision Tools at Existing Premises, Purchase of Software for Automation, Funding of working capital requirements; in the manner specified in “Objects of the Issue” on page 88. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders’ approval through a special resolution. Further, in the event the Company decides to undertake any variation in the net proceeds, it shall only do so in compliance with the applicable provisions of the Companies Act, 2013 and other applicable laws, rules and regulations, including compliance with the regulations stipulated by SEBI. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed

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by SEBI. In light of these factors, we may not be able to undertake variation of 43 objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in the Draft Prospectus and the Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of the contract, which may adversely affect our business and results of operations.

**24. *We have entered into and may continue to enter into related party transactions and there can be no assurance that such transactions have been on favourable terms.***

We have entered into certain transactions with related parties may continue to do so in future. While our Company confirms that all such transactions have been conducted on arms-length basis and is in compliance with the Companies Act and other applicable laws, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our company will enter into related party transactions also in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to "Annexure - XXXVI, Related Party Transactions" of restated financials under section titled "Financial Information" on page 187 of the Draft Prospectus.

**25. *Significant Dependence on Trade Receivables and Inventories may impact our profitability, Cash Flow and Liquidity.***

Our current assets, comprising trade receivables, inventories, and other current assets, have fluctuated over the reported periods. As of July 31, 2024, total current assets stood at ₹667.21 lakhs, representing 37.88% of total assets, compared to 43.90% as of March 31, 2023, and 43.92% as of March 31, 2022.

A decline in the proportion of current assets may indicate potential liquidity constraints, slower receivable collections, or reduced inventory levels, which could impact our ability to meet short-term obligations. Additionally, fluctuations in trade receivables and inventories could signal market demand volatility, operational inefficiencies, or challenges in working capital management.

If we are unable to efficiently manage our receivables, maintain optimal inventory levels, or address working capital fluctuations, it may adversely affect our financial stability, profitability, and overall business operations.

**26. *Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.***

Our business activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Though we have not faced any labour problem in the past we cannot assure that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock-outs or increased wage demands. Such issues could have adverse effect on our business, and results of operations.

**27. *Relevant copies of educational qualification of our promoters is not traceable.***

Relevant copies of the educational qualification of our promoters namely, Mr. Vipulabhai Lalji Ghonia and Mr. Kamalabhai Lalji Ghonia are not traceable. In accordance with the disclosure requirements in respect of brief biographies of the Directors, we have relied on affidavit provided by such Director for the purpose of disclosure in the section entitles "Our Management" on page 162 of this Draft Prospectus.

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**28. *We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.***

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, management, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows. For further details on the Cash Credit Limits and other banking facilities, please see “Financial Indebtedness” on page of the Draft Prospectus.

**29. *Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.***

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or historical estimated capacity utilization information for our existing facilities included in this Draft Prospectus. For further information, see the section titled “Our Business” on page 127 of this Draft Prospectus.

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

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

**31. *If we fail to maintain and enhance our brand and reputation, our clients’ recognition of, and trust in us, and our business may be materially and adversely affected.***

Our business depends significantly on the strength of our brand and reputation of completing our projects in a timely and efficient manner. Our Company is known to conduct operations in a manner that ensures that our projects are free of any defects or vulnerabilities. We believe that continuing to develop awareness of our brand, through focused and consistent branding and marketing initiatives is important for our ability to increase our revenues, grow our existing market share and expand into new markets. Consequently, defects, delays, consumer complaints, or negative publicity or media reports involving us, or any of our projects could harm our brand and reputation and may dilute the impact of our branding and marketing initiatives and adversely affect our business, financial condition, results of operations and prospects. In

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addition, adverse publicity about any regulatory or legal action against us could damage our reputation and brand image, undermine public confidence in us and reduce long-term demand for our operations, even if the regulatory or legal action is unfounded or immaterial to our operations. We may be involved in costly lawsuits or time consuming regulatory proceedings. If we are unable to neutralise the impact of such negative publicity effectively or efficiently, we may suffer damage to our reputation and relationships with our clients, lenders, suppliers and communities and experience significant project delays or cost overruns.

**32. *Changes in technology may render our current technologies obsolete or require us to make substantial investments.***

Modernization and technology up gradation is essential to reduce costs and increase the output. Our equipment may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we use updated technology, we shall continue to strive to keep our technology, equipment in line with the latest technological standards. In case of a new found technology, we may be required to implement new technology or upgrade the machineries and other equipment's employed by us. Further, the costs in upgrading our technology and modernizing the same may be significant which could substantially affect our finances and operations.

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

Our success heavily depends upon the continued services of our Promoter and Key managerial personnel, particularly Mr. Vipulbhai Laljibhai Ghonia and Mr. Kamalbhai Laljibhai Ghonia. They give strategic direction to the company from execution, to entering new product categories and entering new geographies, achieving cost efficiencies, acquisition, etc. This experience is invaluable and irreplaceable. Losing them pose a significant risk to our company. We depend significantly on them for executing our day to day activities. The loss of any of our Promoter or Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoter and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy.

Further, we also significantly depend on the expertise, experience and continued efforts of our Key Managerial Personnel and Senior Management. Our future performance will depend largely on our ability to retain the continued service of our management team. If one or more of our Key Managerial Personnel or Senior Management are unable or unwilling to continue in his or her present position, it could be difficult for us to find a suitable or timely replacement and our business, financial condition and results of operations could be adversely affected.

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

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

For further details of our Directors and key managerial *personnel*, please refer to Section “*Our Management*” on page 162 of this Draft Prospectus.

**34. *Our Promoters, Directors and Key Management Personnel have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoters, Directors and Key Management Personnel can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement, or loans advanced, provided by them to/for the Company, and benefits deriving from the directorship in our Company. Our Promoters are interested in the transactions entered into between our Company and our Promoter Group. For further information, please refer to the chapters titled “Our Business”, “Our Promoter and Promoter Group” and Restated Financial Statements”, beginning on pages 127, 186 & 187 respectively of this Draft Prospectus.

**35. *Our Company is dependent on third party transportation providers for the delivery of our input materials and products and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.***

Our Company uses third party transportation providers for delivery of our input materials and final products. Though, our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. In addition, goods may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our input materials or finished goods may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure, or other events could impair ability to procure input materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

**36. *We have taken guarantees from Promoters in relation to debt facilities provided to us.***

We have taken guarantees from Promoters in relation to our secured debt facilities availed from our Bankers. In an event any of these persons withdraw or terminate its/their guarantees, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled “Financial Indebtedness” beginning on page 162 of this Draft Prospectus.

**37. *Our lenders have charge over our movable and immovable properties in respect of finance availed by us.***

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We have secured our lenders by creating a charge over our movable properties in respect of loans / facilities availed by us from banks and financial institutions. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, our these properties may be forfeited by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations. For further information on the “Financial Indebtedness” please refer to page 162 of this Draft Prospectus.

**38. *Our Company has unsecured loans which are repayable on demand. Any demand loan from lenders for repayment of such unsecured loans, may adversely affect our cash flows.***

As on July 31, 2024, our Company has unsecured loans amounting to Rs. 248.77 lakhs as per our Restated Financial Statements from related and other parties that are repayable on demand to the relevant lender. Further, some of these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, please refer the chapter titled “Financial Indebtedness” on page 160 of this Draft Prospectus.

**39. *We have substantial working capital expenditure and may require additional financing to meet those requirements and have risk of receivables, which could have an adverse effect on our results of operations and financial condition.***

Our business is working capital intensive as we require significant capital to operate and expand our Manufacturing Facilities. Historically, we have funded our working capital expenditure requirements through a combination of equity or internal accruals and loans. The actual amount and timing of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, economic conditions, engineering design changes, weather related delays, additional market developments and new opportunities in the industry.

Our sources of additional financing required to meet our working capital expenditure plans may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, would result in a dilution of your shareholding. We manufacture the tools in our facility itself, once we receive the purchase order from our clients. After the execution of the order, goods are sent to the clients through courier or other plausible means. We usually do not receive any advance payments for any of the order we receive. Our lead time to manufacture varies from a week’s time to 3 weeks depending upon the complexity and the technical specification of the tool involved. We have a huge working capital cycle requirement and higher the order value, higher is the working capital requirement. We are sometimes constrained to take new order or higher value order because of working capital requirement. However, with matured relationship over the years we shall negotiate future contract with advance payments from client and milestone based contracts.

Our books always have outstanding receivables because our working capital cycle typically spans 100 days or so, and clients make payments only after receiving the products. Due to efficient credit management and client relationship, our company is continuously looking to reduce these debtor days. This is evident from our trade receivables period which is treading downward trajectory and has almost halved to 63 days in FY 2024 from 117 days in FY 2022. We look to engage with our customers and try to shorten these receivable days as much as possible.

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

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions

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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 and agents 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.

**41. *Changes in customer preferences could affect our business, financial condition, results of operations and prospects.***

Any change in the customer preference can render our old stock obsolete, as changes in customer preference are generally beyond our control. Some or all of our products may become less attractive in light of changing customer preferences or better products by competitors and we may be unable to adapt to such changes in a timely manner. However, we constantly focus on research and development and to develop new products to cater the customer needs, any change in customer preferences that decreases demand could affect our business, financial condition, results of operations and prospects.

**42. *Negative publicity could adversely affect our revenue model and profitability of our Company.***

Our business is dependent on the trust our customers have reposed in the quality of our products. Any negative publicity our Company due to any other unforeseen events could affect our reputation and our results from operations. Further, our business may also be affected if there is any negative publicity associated with the services which are being rendered by our Company which may indirectly result in erosion of our reputation and goodwill.

**43. *Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory, prior to or during stocking and display. Although we have set up various security measures and follow stringent operational processes such as stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.

**44. *The average cost of acquisition of Equity Shares by our Promoter may be less than the Issue Price.***

The average cost of acquisition of Equity Shares by our Promoters may be less than the Issue Price. The details of average cost of acquisition of Equity Shares acquired by our Promoters is set out below:

Sr. No.	Name of the Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)*
1	Vipulbhai Laljibhai Ghonia	6,65,660	5.0
2	Kamalbhai Laljibhai Ghonia	6,66,160	5.0
<b>TOTAL</b>		<b>13,31,820</b>	

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

*For more information, please refer to the section titled "Capital Structure" on page 74.*

**45. *Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.***



We are insured for the risks associated with our business activities through Insurance policy. We manufacture solid carbide cutting tools which are costly in nature. A single tool can range from few thousands to several thousand rupees depending upon the technical specification of the tool like projections, angles and curvatures, thread, fruits, etc. We also make customized tools as per the client's requirement. These end product tools are very costly. We have an insurance policy for raw materials and the for the manufacturing facility. However, we do not have any insurance cover for these finished goods when they are in transit period from our manufacturing facility to client's location.

Any damage, or loss, theft or product change during this transit time can cause significant loss to our company. It can cause business loss as well. However, as a prudent management strategy, our management is actively looking to cover finished goods under insurance. We believe that we have got our assets and stock adequately insured; however, our policy of covering these risks through insurance may not always be effective or adequate there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance policy or exceeds our insurance coverage, our business and results of operations could be adversely affected.

- 46. *We have not made any dividend payments in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants in our financing arrangements.***

In the past, we have not made dividend payments to the shareholders of our Company. The amount of our future dividend payments, if any, will depend upon various factors including our future earnings, financial condition, cash flows and requirement to fund operations and expansion of the business. There can be no assurance that we will be able to declare dividends. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors. For further details, please refer "Dividend Policy" on page **Error! Bookmark not defined.** of this Draft Prospectus.

- 47. *Our inability to manage growth could disrupt our business and reduce profitability. Our Business strategy is to continuously grow by expanding the size and geographical scope of our businesses.***

This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

- 48. *Cyber risk and the failure to maintain the integrity of our operational or security systems or infrastructure, or those of our customers or other third parties with which we conduct business, could have a material adverse effect on our business, results of operations, financial condition, cash flows and future prospects. Cyber threats are evolving and are becoming increasingly sophisticated***

Our Company may experience cyber threats from time to time, which pose a risk to the security of our systems and networks and the confidentiality, availability and integrity of our data. All information technology systems remain potentially vulnerable to damage or interruption from a variety of sources, including but not limited to software and hardware failure, cyber-attacks, computer viruses and security breaches. There have been no instances of the loss / leakage of confidential information from our Company's IT systems or due to cyber-attacks on our Company. Disruptions or failures in the physical infrastructure or operating systems that support our businesses and customers, or cyber-attacks or security breaches of our networks or systems in the future, could result in the loss of customers and business opportunities, legal liability, regulatory fines, penalties or intervention, other litigation, regulatory and legal risks and the costs associated therewith, reputational damage, reimbursement or other compensatory costs, remediation costs, increased cybersecurity protection costs, additional compliance costs, increased

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insurance premiums, and lost revenues, damage to the Company's competitiveness, share price, and long-term shareholder value, any of which could materially adversely affect our business, results of operations, financial condition, cash flows and future prospects.

**49. *Our promoter and promoter group will continue to retain significant control over our Company after the IPO.***

After completion of the Issue, our Promoters and Promoter Group will collectively own 70.68% of the Equity Shares. As a result, our Promoters together with the members of the Promoter Group will be able to exercise a significant degree of influence over us and will be able to control the outcome of any proposal that can be approved by a majority shareholder vote, including, the election of members to our Board, in accordance with the Companies Act and our Articles of Association. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of our Company.

In addition, our Promoters will continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests or the interests of some or all of our creditors or minority shareholders, and we cannot assure you that such actions will not have an adverse effect on our future financial performance or the price of our Equity Shares.

**50. *Management has no experience in managing IPO and also listing process and its related compliance thereafter the listing process can drain resources.***

Our Company do not have previous experience or any exposure in managing IPO and its related process. Moreover, after the listing of the shares we may be required to adhere to increased compliance which may drain company's resources. However, with IPO in planning long back our promoters and management are well aware of their duties and responsibilities and are aware of the process related to listing and Fixed Price. For compliance adherence, company has appointed company secretary to look after and adhere to highest norms of disclosures and corporate governance

**51. *Our Company has allotted Equity Shares during the preceding one year from the date of the Draft Prospectus which are lower than the Issue Price.***

Our Company has allotted the following Equity Shares during the preceding one year from the date of the Draft Prospectus which may be lower than the Issue Price:

Date of Allotment	No. of equity shares allotted	Face Value (₹)	Issue price per equity share (₹)	Nature of allotment
September 19, 2024	20,00,000	10	NIL	Bonus
October 03, 2024	1,58,400	10	107	Private Placement

For Further details of equity shares issued, please refer to the section titled "Capital Structure" beginning on page 74 of this Draft Prospectus.

**52. *There are no listed companies in India that are engaged in a diverse business segments in which we operate or of a comparable size to that of our Company hence not possible to compare our performance.***

As there is no listed company in India that are engaged in a diverse business segments in which we operate or of a comparable size to that of our Company therefore we can not compare our performance with Peer Companies in terms of various financial ratios including EPS and P/E ratios.

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

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As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above Rs. 10,000 Lakhs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public.


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


The proposed expansion, as detailed in the section titled “Objects of the Issue” is to be entirely funded from the proceeds of this IPO. We have not identified any alternate source of funding for meeting our working capital requirements. We meet our working capital requirements through internal accruals 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 the expansion process within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

**55. *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 88 of this Draft 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.

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.

**56. *Misuse of our brand  or any Negative publicity could adversely affect our revenue model and profitability of our Company.***

Our business is dependent on the trust our customers have reposed in the quality of our products. Any misuse of our brand  by using counterfeit products can cause significant harm to the reputation of our brand and our company. It can affect our sales and cash flows subsequently.

Any negative publicity of our Company due to any other unforeseen events could affect our reputation and our results from operations. Further, our business may also be affected if there is any negative publicity associated with the services which are being rendered by our Company which may indirectly result in erosion of our reputation and goodwill.

**57. *We have not independently verified certain data in this Draft Prospectus.***

We have not independently verified data from industry publications contained herein and although we believe these sources 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 regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the

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statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

**58. *Fraud, theft, employee negligence or similar incidents may adversely affect our results of operations and financial condition.***

Our operations may be subject to incidents of theft or damage to inventory, prior to or during stocking and display. Although we have set up various security measures and follow stringent operational processes such as stock taking, there can be no assurance that we will not experience any fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect our results of operations and financial condition. Additionally, in case of losses due to theft, fire, breakage or damage caused by other casualties, there can be no assurance that we will be able to recover from our insurer the full amount of any such loss in a timely manner, or at all. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.

**59. *Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.***

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

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

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT"), is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, is subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of 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.

**61. *We have experienced significant growth in our PAT, there is no assurance that we will be able to sustain this rate of growth in the future.***

Our inability to regularly grow our turnover and effectively execute our key business processes could lead to lower profitability and hence adversely affect our operating results and financial conditions. Our business model is heavily reliant on our ability to effectively increase the sale of value business products and/or grow our turnover and manage our key processes including but not limited to order procurement, timely order execution, and effective delivery monitoring and continuous cost control of non-core activities. The table below gives details of the profit after tax based on Restated Financial Statements.

*(Rs. in Lakhs)*

Particulars	As on July 31, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Total Revenue	358.56	1,052.95	1,032.15	1,007.05
PAT	93.01	157.53	(7.92)	(19.52)
PAT margin	25.93%	14.96%	(0.76%)	(1.93%)

Our growth strategy is subject to and involves risks and difficulties, many of which are beyond our control and, accordingly, there can be no assurance that we will be able to implement our strategy or growth plans, or complete them within the timelines. Further, we operate in a dynamic industry, and on account of changes in market conditions, industry dynamics or changes and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. For further details regarding the discussions and explanations of our results, please refer to **“Management’s Discussions and Analysis of Financial Condition and Results of Operations”** beginning on page no. 233 of this Draft Prospectus.

**62. Our Promoter or Directors may have interests, either directly or indirectly, in ventures involved in a business similar to us, which may result in a real or potential conflict of interest.**

Our Promoter or Directors may also be on the board of directors or have commercial relationships with other ventures that may potentially compete with our Company, subject to the provisions and disclosure requirements provided under the code of conduct for board of directors and senior management personnel, the Companies Act and the SEBI Listing Regulations. For further details in relation to our Directors and Promoters, please see the sections entitled **“Our Management”** and **“Our Promoter and Promoter Group”** beginning on pages 162 and 186 respectively.

Such interest and relationships of our Promoter and Directors may result in a real or potential conflict of interest affecting our business. While we continue to adhere to the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, there can be no assurance that these or other conflicts of interest will be resolved in a timely and efficient manner.

Conflicts may arise in the ordinary course of decision-making by the Promoter or Board of Directors of our Company. Further, there is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter in future. Such factors may have an adverse effect on the results of our operations and financial condition.

**63. We have had negative cash flows in the past. Sustained negative cash flow could adversely impact our business, financial condition, and results of operations.**

We have experienced negative cash flows from operating activities and investing activities and may, in the future, experience negative cash flows. The following table sets forth certain information relating to our cash flows for the periods indicated below:

*(Rs. In Lakhs)*

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Net Cash Flow from/ (used in) Investing Activities	(260.19)	(138.29)	(7.24)	(39.75)
Net Cash Flow from/ (used in)	143.65	(282.78)	(214.33)	(189.26)

Net cash flow from investing activities was negative due to machinery acquisitions, amounting to ₹260.19 lakhs as of July 31, 2024. Meanwhile, financing activities saw an inflow of ₹143.65 lakhs, recovering from previous negative trends. For further information, see **“Restated Financial Information”** beginning on page 187. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition and results of operations could be materially and adversely affected.

**64. Our Company may require additional capital resources to achieve our expansion plans.**

The rate of our expansion will depend to an extent on the availability of adequate debt and equity capital. Further, the actual expenditure incurred may be higher than current estimates owing to but not limited to, implementation delays or cost overruns. We may, therefore, primarily try to meet such cost overruns through our internal generations and in case the same is not adequate, we may have to raise additional funds by way of additional term debt from banks/ financial institutions and unsecured loans, which may have an adverse effect on our business and results of operations.

**65. The auditor's report on our Restated Financial Statements highlights certain matters relating to the Companies (Auditors' Report) Order, 2020.**

While there are no audit qualifications in the audit reports issued by the auditor for the Period ended July 31, 2024 and Financial Years ended March 31, 2024, 2023, and 2022 that would necessitate adjustments in the Restated Financial Statements of the Company however some disclosures have been made which are as under:-

**Financial Year 2021-22:**

- (a) The company is in the arrear of statutory liability for the period of more than six months from the date they become payable as under;
- (i) Income Tax [IT] payable as on 31.03.2022 pertaining to F.Y. 2020- 21 is Rs. 3,19,180/-.
  - (ii) TDS payable as on 31.03.2022 is Rs. 14,34,459/- out of which Rs.7,48,721/- pertains to F.Y. 2020-21 a Rs. 6,85,738/- pertains to F.Y. 2021-22.

**Financial Year 2022-23:**

- (a) The company has granted loan to following parties during the year covered in the registered maintained under section 189 Of the Act;

Name of Parties	Outstanding as on March 31, 2023
Shine Engineering (Promoter Group Member)	Rs. 7710,503/-
Kiran V. Ghoniya (Promoter Group Member)	Rs. 9,20,000/-

- (b) According to the records of the company and information and explanation given, the company has not complied with the provision of section 185 of the Act.
- (c) The company is in the arrear of statutory liability for the period of more than six months from the date they become payable as under; •
- (i) Income Tax [IT] payable as on 31.03.2023 pertaining to F.Y. 2021-22 is Rs. 3,19,180/-.
  - (ii) TDS payable as on 31.03.2023 is Rs. 23,23,829/- out of which Rs.7,48,721/- pertains to F.Y. 2020-21, Rs. 6,85,738/- pertains to F.Y. 2021-22 & Rs. 9,16,670/- pertains F.Y. 2022- 23.

**Financial Year 2023-24:**

Details of dues of Income Tax which have not been deposited as on March 31, 2024 on account of disputes are given below

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending	Remarks
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Income Tax	154 of the Income Tax Act, 1961	82,566/-	2021	CIT(A)	Demand u/s 154 of the Act
Income Tax	143(3) of the Income Tax Act, 1961	8,44,530/-	2022	CPC	Demand u/s 143(3) of the Act
Provident Fund	Statutory Liability Pending	28,39,502/-	2023	-	-

The above omissions or non compliances , may raise concerns regarding our compliance with statutory disclosure requirements. For further information, see “*Restated Financial Information*” beginning on page 187.

## EXTERNAL RISK FACTORS

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

**67. *Political, Economic and Social changes in India could adversely affect our business.***

Our business, and the market price and liquidity of our Company’s shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

**68. *Our business is dependent on economic growth in India.***

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural production. For example, in the monsoon of 2009, Several parts of the country experienced below average rainfall, leading to reduced farm output which impaired economic growth. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy could harm our business, financial condition and results of operations.

**69. *The extent and reliability of Indian infrastructure could adversely affect our results of operations and financial condition.***

India’s physical infrastructure is less developed than that of many developed countries. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India’s physical infrastructure would harm the national economy.

**70. *Global economic downturn and adverse market conditions could cause our business to suffer. A slowdown in economic growth in India could cause our business to suffer.***

The developed economies of the world viz. U.S., Europe, Japan and others are in midst of a downturn affecting their economic condition and markets general business and consumer sentiment has been adversely affected due to the global slowdown and there can be no assurance whether the developed economies or the emerging market economies will see good economic growth in the near future. Consequently, this has also affected the global stock and commodity markets. Our performance and growth is directly related to the performance of the Indian economy. The performance of the Indian economy is dependent among other things on the interest rate, political and regulatory actions, liberalization policies, commodity and energy prices etc. A change in any of the factors would affect the growth prospects of the Indian economy, which may in turn adversely impact our results of operations, and consequently the price of our Equity Shares.

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

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.

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

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

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "Government and Other Approvals" beginning on page 250 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

**74. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the Financial Statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Prospectus.***

Our Restated Financial Information for the Financial Years ended on July 31, 2024, March 31, 2024, 2023, and 2022 have been prepared and presented in conformity with Indian GAAP. Indian GAAP differs in certain significant respects from U.S. GAAP, IFRS, and other accounting principles with which prospective investors may be familiar in other countries. If our Restated Financial Statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows, and financial

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position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our Restated Financial Statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should be limited accordingly.

**75. *Our international sales and operations are subject to many uncertainties and we are exposed to foreign currency exchange rate fluctuations.***

We may be subject to risks inherently associated with international operations, including risks associated with foreign currency exchange rate fluctuations, which may cause volatility in our reported income, and risks associated with the application and imposition of protective legislation and regulations relating to import or export or otherwise resulting from foreign policy or the variability of foreign economic conditions.

**76. *If inflation rises in India, increased costs may result in a decline in the profits of our Company. Inflation rates in India have been volatile in recent years, and such volatility may continue in the future.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows, and financial condition may be adversely affected. There can be no assurance that Indian inflation levels will not worsen in the future.

**77. *Investors may have difficulty in enforcing foreign judgments against our Company or our management.***

Our Company is a company incorporated under the laws of India. All Directors on the Board of Directors of our Company and our employees are residents of India and a substantial portion of our assets and such persons are located in India. As a result, it may not be possible for prospective investors outside India to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or would enforce foreign judgments if that court was of the view that the number of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment.

Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (“CPC”). Section 13 of the CPC provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except (a) where the judgment has not been pronounced by a court of competent jurisdiction; (b) where the judgment has not been given on the merits of the case; (c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases in which such law is applicable; (d) where the proceedings in which the judgment was obtained were opposed to natural justice; (e) where the judgment has been obtained by fraud; and (f) where the judgment sustains a claim founded on a breach of any law then in force in India. Further, India has reciprocal recognition and enforcement of judgments in civil and commercial matters

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with only a limited number of jurisdictions, such as the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favor a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment.

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

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, 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. Although these provisions have been formulated to ensure that the interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of SEBI (SAST) Regulations, 2011.

**79. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

**80. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfers 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, that are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls 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.

For further information, see “**Restrictions on Foreign Ownership of Indian Securities**” on page 348 of this Draft Prospectus.

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## SECTION IV – INTRODUCTION

### THE ISSUE

The following table summarizes the Issue details:

Particulars	Details of Equity Shares
Issue of Equity Shares of the face value of Rs.10/- <sup>(1)(2)</sup>	Issue of up to 15,00,000 Equity Shares of the face value of Rs. 10/- each fully paid for cash at a price of Rs. 110/- per Equity Share aggregating Rs. 1,650.00 Lakhs
<b>The Issue consists of:</b>	
Market Maker Reservation Portion	Upto 75,600 Equity Shares of the face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs. 10/- per Equity Share aggregating to Rs. 82.50 Lakhs
Net Issue to the public	Up to 14,24,400 Equity Shares of the face value of Rs. 10/- each fully paid up of the Company for cash at a price of Rs 110/- per Equity Share aggregating to Rs. 1,566.84 Lakhs
<b>Of which:</b>	
Allocation to Retail Individual Investors for up to ₹2 lakh	[●] Equity Shares for cash at the Issue Price aggregating to ₹[●].
Allocation to other investors for above ₹2 lakh	[●] Equity Shares for cash at the Issue Price aggregating to ₹[●].
Pre and post Issue Equity Shares:	
Equity Shares outstanding prior to the Issue	41,58,400 Equity Shares of face value of Rs.10/-each
Equity Shares outstanding after the Issue	56,58,400 Equity Shares of face value of Rs.10/- each
Utilization of Net Proceeds	See chapter titled “ <b>Objects of the Issue</b> ” beginning on page 88 of this Draft Prospectus for information about the use of Proceeds from the Issue.

#### Notes:

- The Issue has been authorized by the Board of Directors vide a resolution passed at their meeting held on November 16, 2024 and by the Shareholders of our Company, vide a special resolution passed pursuant to the Companies Act, 2013 at the Extra Ordinary General Meeting held on December 19, 2024.*
- This Issue is being made by our Company in terms of Regulation of 229 (1) of the 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.*
- The Issue is being made in terms of Section IX of the SEBI ICDR Regulations, as amended from time to time. The Issue is being made through the Fixed Price method and hence, as per Regulation 253, sub regulation (2) of SEBI ICDR Regulations, the allocation in the net Issue to public category shall be made as follow:*

*Minimum 50% to the Retail individual investors; and*

*Remaining to:*

- individual applicants other than retail individual investors; and*
- other investors including corporate bodies or institutions; irrespective of the number of specified securities applied for.*

*Provided that the unsubscribed portion is either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.*

*Explanation: For the purpose of Regulation 253, sub-Regulation (2), if the retail individual investor category is entitled to more than fifty percent of the Issue size on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

*For further details, kindly refer the chapter titled "Terms of the Issue" on page 263.*

**SUMMARY OF FINANCIAL INFORMATION**

**ANNEXURE I: STATEMENT OF ASSETS AND LIABILITIES**

*(₹ In Lakhs)*

Sr. No.	Particulars	Anne xure No.	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	<b>EQUITY AND LIABILITIES</b>					
1)	<b><u>Shareholders Funds</u></b>					
	a. Share Capital	V	200.00	200.00	200.00	200.00
	b. Reserves & Surplus	VI	252.68	159.67	2.14	10.06
2)	<b><u>Non - Current Liabilities</u></b>					
	a. Long-term Borrowings	VII	535.84	357.46	484.91	572.59
	b. Long-term Provisions	VIII	7.60	7.12	0.39	0.25
3)	<b><u>Current Liabilities</u></b>					
	a. Short Term Borrowings	IX	393.34	396.38	460.51	474.12
	b. Trade Payables	X				
	- Due to Micro and Small Enterprises		47.65	53.03	136.31	156.28
	- Due to Others		140.97	148.85	230.76	150.24
	c. Other Current liabilities	XI	56.99	80.79	85.16	90.95
	d. Short Term Provisions	XII	126.48	101.20	82.47	163.10
	<b>T O T A L</b>		<b>1,761.55</b>	<b>1,504.50</b>	<b>1,682.65</b>	<b>1,817.59</b>
	<b>ASSETS</b>					
1)	<b><u>Non Current Assets</u></b>					
	a. Property, Plant & Equipment and Intangible Assets					
	- Property, Plant & Equipment	XIII	765.55	547.51	524.52	609.01
	- Intangible Assets		1.16	1.22	2.45	1.59
	b. Deferred Tax Assets (Net)	XIV	17.37	16.74	14.00	11.36
	c. Long-term Loans & Advances	XV	-	-	2.78	1.09
	d. Other Non-current assets	XVI	-	-	0.26	0.26
2)	<b><u>Current Assets</u></b>					
	a. Inventories	XVII	344.72	298.53	352.62	390.40
	b. Trade Receivables	XVIII	322.49	237.72	378.93	401.00
	c. Cash and Bank Balance	XIX	5.52	34.31	20.37	21.52
	d. Short term loan and advances	XX	304.74	361.26	379.53	374.52
	e. Other current assets	XXI	-	7.21	7.19	6.84

<b>TOTAL</b>	<b>1,761.55</b>	<b>1,504.50</b>	<b>1,682.65</b>	<b>1,817.59</b>
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**ANNEXURE II: STATEMENT OF PROFIT AND LOSS AS RESTATED**

*(₹ In Lakhs)*

Sr. No.	Particulars	Annexure No.	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A</b>	<b>INCOME</b>					
	Revenue from Operations	XXII	358.56	1,052.95	1,032.15	1,007.05
	Other Income	XXIII	0.12	7.47	13.57	2.91
	<b>Total Income (A)</b>		<b>358.68</b>	<b>1,060.42</b>	<b>1,045.72</b>	<b>1,009.96</b>
<b>B</b>	<b>EXPENDITURE</b>					
	Cost of material consumed	XXIV	92.71	198.50	270.56	323.30
	Changes in inventories of finished Goods	XXV	(40.36)	37.66	26.75	52.80
	Employee Benefits Expense	XXVI	38.96	158.94	124.52	120.40
	Finance costs	XXVII	31.69	91.20	113.04	110.73
	Depreciation and Amortization Expense	XXVIII	42.22	118.25	93.17	103.96
	Other Expenses	XXIX	68.67	244.35	428.25	323.63
	<b>Total Expenses (B)</b>		<b>233.89</b>	<b>848.90</b>	<b>1,056.29</b>	<b>1,034.82</b>
<b>C</b>	<b>Profit before and tax (A-B)</b>		<b>124.79</b>	<b>211.52</b>	<b>(10.57)</b>	<b>(24.86)</b>
<b>D</b>	<b>Tax Expense:</b>					
	(i) Current tax	XXXV	32.42	56.72	-	-
	(ii) Deferred tax expenses/(credit)	XIV	(0.64)	(2.73)	(2.64)	(5.34)
	<b>Total Expenses (D)</b>		<b>31.78</b>	<b>53.99</b>	<b>(2.64)</b>	<b>(5.34)</b>
<b>E</b>	<b>Profit for the year (C-D)</b>		<b>93.01</b>	<b>157.53</b>	<b>(7.92)</b>	<b>(19.52)</b>
<b>F</b>	<b>Earnings per share (Face value of ₹ 10/- each):</b>					
	<b>Post Bonus issue</b>					
	<b>i. Basic</b>		<b>2.33</b>	<b>3.94</b>	<b>(0.20)</b>	<b>(0.49)</b>
	<b>ii. Diluted</b>		<b>2.33</b>	<b>3.94</b>	<b>(0.20)</b>	<b>(0.49)</b>

**ANNEXURE III: STATEMENT OF CASH FLOW**

(₹ In Lakhs)

Sr. No.	Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1)</b>	<b>Cash Flow From Operating Activities:</b>				
	Net Profit before tax as per Profit And Loss A/c	124.79	211.52	(10.57)	(24.86)
<b>2)</b>	<b>Adjustments for:</b>				
	Finance Cost	31.69	91.20	113.04	110.73
	Gratuity Provision	0.51	7.07	0.15	0.26
	Provision for penalty u/s 271B of Income-tax Act, 1961	-	-	1.50	1.50
	Interest Income	-	(1.73)	(1.56)	(1.16)
	Net (Profit) or Loss on Sale of property, plant & equipment	-	-	(0.74)	0.72
	Depreciation and Amortization Expense	42.22	118.25	93.17	103.96
<b>3)</b>	<b>Operating Profit Before Working Capital Changes</b>	<b>199.21</b>	<b>426.31</b>	<b>194.99</b>	<b>191.15</b>
	Adjusted for (Increase)/Decrease in operating assets				
	Inventories	(46.19)	54.09	37.78	74.40
	Trade Receivables	(84.77)	141.21	22.07	(42.05)
	Short term loan and advances	56.52	18.27	(5.01)	(135.47)
	Other Current Assets	7.21	(0.02)	9.15	1.09
	Other Bank Balances	-	-	-	5.34
	Adjusted for Increase/(Decrease) in operating liabilities:				
	Trade Payables	(13.26)	(165.19)	60.55	0.40
	Other Current Liabilities	(23.81)	(4.37)	(5.78)	16.75
	Provisions	(7.16)	(30.00)	(82.14)	119.55
	<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>87.75</b>	<b>443.34</b>	<b>229.92</b>	<b>229.81</b>
	Net Income Tax paid/ refunded	(0.01)	(8.33)	-	(0.08)
<b>4)</b>	<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>87.74</b>	<b>435.01</b>	<b>229.92</b>	<b>229.73</b>
	<b>Cash Flow from Investing Activities:</b>				
	Purchase of property, plant & equipment	(260.19)	(140.02)	(11.30)	(44.20)
	Sale of property, plant & equipment	-	-	2.50	3.29
	Interest Income	-	1.73	1.56	1.16
<b>5)</b>	<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(260.19)</b>	<b>(138.29)</b>	<b>(7.24)</b>	<b>(39.75)</b>
	<b>Cash Flow from Financing Activities:</b>				
	Proceeds/(Repayment) of Borrowings	175.34	(191.58)	(101.29)	(78.53)
	Finance Cost Paid	(31.69)	(91.20)	(113.04)	(110.73)
<b>6)</b>	<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>143.65</b>	<b>(282.78)</b>	<b>(214.33)</b>	<b>(189.26)</b>

	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(28.79)	13.94	8.35	0.72
	Cash & Cash Equivalents As At Beginning of the Year	34.31	20.37	12.02	11.30
	Cash & Cash Equivalents As At End of the Year	<b>5.52</b>	<b>34.31</b>	<b>20.37</b>	<b>12.02</b>
<b>7)</b>	<b>Cash and Cash Equivalents comprise of</b>				
	Cash-in-Hand	4.10	31.79	20.20	11.86
	Bank Balance	1.42	2.52	0.17	0.16
<b>8)</b>	<b>Total</b>	<b>5.52</b>	<b>34.31</b>	<b>20.37</b>	<b>12.02</b>

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.

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## SECTION V – GENERAL INFORMATION

Our Company was incorporated on May 01, 2013 as ‘Shining Tools Limited’, a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 01, 2013 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. For further details related to Corporate Structure of our Company, see “History and Certain Corporate Matters” on page 158 of this Draft Prospectus.

For details of change in registered office of our Company, please refer to chapter titled “History and Corporate Structure” beginning on page no. 158 of this Draft Prospectus.

### BRIEF INFORMATION ON COMPANY AND ISSUE

Particulars	Details			
Name of Issuer	Shining Tools Limited			
Registered Office	Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India. <b>Telephone No.:</b> +91 9726744244 <b>Website:</b> <a href="https://www.tixnatools.com/">https://www.tixnatools.com/</a> <b>Mail:</b> <a href="mailto:info@tixnatools.com">info@tixnatools.com</a> <b>Contact Person:</b> Mrs. Sneha Dhaval Shah			
Date of Incorporation	May 01, 2013			
Company Identification Number	U29220GJ2013PLC074803			
Company Registration Number	074803			
Company Category	Company Limited by Shares			
Registrar of Company	ROC Ahmedabad			
Address of the RoC	ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380 013, Gujarat, India; <b>Phone:</b> 079-27438531			
Company Secretary and Compliance Officer	Mrs. Sneha Dhaval Shah Shining Tools Limited Survey no.63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360311, Gujarat, India; <b>Telephone No.:</b> +91 9687693344 <b>E-Mail:</b> cs@tixnatools.com			
Designated Stock Exchange	SME Platform of BSE Limited (BSE SME) <b>Address:</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Maharashtra, India			
Issue Programme	<b>Issue Opens On:</b>	[•]	<b>Issue Closes On:</b>	[•]

#### Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the Lead Managers or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of intimation of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimation or unblocking of amount in bank account or non-receipt of funds by electronic mode etc.

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, number of Equity Shares applied for, the Application amount paid on submission of the Application Form and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the Banker to the Issue if the application was submitted to the Banker to the Issue, or the Registered Broker if the application was submitted to a Registered Broker at any of the Brokers Centre's, as the case may be, quoting the full name of the sole or first Applicant, Application Form number, address of the applicant, Applicant's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Application Form, name and address of the Banker to the Issue or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the application was submitted, and the ASBA Account number in which the amount equivalent to the application Amount was blocked.

All grievances relating to the UPI mechanism may be addressed to the Registrar to the Issue with a copy to the relevant Sponsor Bank or the Banker to the Issue if the application was submitted to the Banker to the Issue, or the Registered Broker if the application was submitted to a Registered Broker at any of the Brokers Centre's, as the case may be, quoting the full name of the sole or first applicant, Application Form number, address of the applicant, applicant's DP ID, Client ID, PAN, number of Equity Shares applied for, date of Application Form, name and address of the Banker to the Issue or the Designated Branch or the Registered Broker or address of the RTA or address of the DP, as the case may be, where the application was submitted, and the UPI ID of the UPI ID Linked Bank Account in which the amount equivalent to the application Amount was blocked.

All grievances relating to applications submitted through the Registered Broker and/or a stock broker may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within 3 months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021; SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the LM are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

#### BOARD OF DIRECTORS OF OUR COMPANY



As on date of the Draft Prospectus, our Board of Directors comprises of following Directors.

Sr. No.	Name	Designation	Address	DIN
1.	Mr. Vipulbhai Laljibhai Ghonia	Chairman and Managing Director	Prem Raj, 06-Alka Society, B/h Vishveshwar Temple, Mavdi main road, Rajkot-360004, Gujarat, India.	06511100
2.	Mr. Kamalbhai Laljibhai Ghonia	Whole-Time Director	Prem Raj, 06-Alka Society, B/h Vishveshwar Temple, Mavdi main road, Rajkot-360004, Gujarat, India.	06511096
3.	Ms. Kiranben Vipulbhai Ghonia	Non-Executive Director	Prem Raj, 06-Alka Society, B/h Vishveshwar Temple, Mavdi main road, Rajkot-360004, Gujarat, India.	08510856
4.	Mr. Shyam Bhadresh Kapadia	Additional Independent Director	32, Aagam Heritage, Near Someshwara Enclave, University Road, Surat-395007, Gujarat, India.	10672090
5.	Ms. Grishma A Shewale	Additional Independent Director	9, Ashirwad Society, Vadodara-390019, Gujarat, India.	10685826

6.	Mr.Chand Rameshbhai Kanabar	Additional Independent Director	Meghana Society, opp. Bal bhavan, Keshod- 362220, Gujarat, India.	10706050
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For further details pertaining to the education qualification and experience of our directors, please refer the chapter titled “Our Management” beginning on Page no. 162 of this Draft Prospectus.

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

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
	
<p><b>SOBHAGYA CAPITAL OPTIONS PRIVATE LIMITED</b>  <b>SEBI Registration Number:</b>  <b>Address:</b> C-7&amp;7A, Hosiery Complex, Phase-II Extension, Noida-201305, Uttar Pradesh  <b>Telephone:</b> +91 7836066001  <b>E-mail:</b> cs@sobhagyacap.com  <b>Investors Grievance Id:</b> <a href="mailto:delhi@sobhagyacap.com">delhi@sobhagyacap.com</a>  <b>Website:</b> <a href="http://www.sobhagyacapital.com">www.sobhagyacapital.com</a>  <b>Contact Person:</b> Mr. Rishabh Singhvi/ Ms. Nisha SEBI Registration  <b>CIN:</b> U74899DL1994PTC060089</p>	<p><b>ACCURATE SECURITIES AND REGISTRY PRIVATE LIMITED</b>  <b>SEBI Registration Number:</b> INR000004173  <b>Address:</b> B1105 - 1108, K P Epitome, Nr. Makarba Lake, Nr. Siddhi Vinayak Towers, Makarba, Jivraj Park- 380 051, Ahmedabad, Gujarat, India.  <b>Telephone:</b> +91-79-48000319  <b>E-mail:</b> <a href="mailto:investor@accuratesecurities.com">investor@accuratesecurities.com</a>  <b>Investors Grievance Id:</b>  <a href="mailto:investor@accuratesecurities.com">investor@accuratesecurities.com</a>  <b>Website:</b> <a href="https://accuratesecurities.com/">https://accuratesecurities.com/</a>  <b>Contact Person:</b> Mr. Ankur Shah  <b>CIN:</b> U74900GJ2013PTC077829</p>
STATUTORY & PEER REVIEW AUDITORS OF THE COMPANY	LEGAL ADVISOR TO THE COMPANY
<p><b>M/s V S S B &amp; Associates.</b>  <b>Chartered Accountants</b>  <b>Address:</b> A-912, Ratnaakar Nine Square, Opp. ITC Narmada Vastrapur, Ahmedabad-380015, Gujarat, India.  <b>Tel. No.:</b> +91 9377771182, 07927541783  <b>Email Id:</b> <a href="mailto:vishvesca@gmail.com">vishvesca@gmail.com</a>  <b>Contact Person:</b> CA Vishves A. Shah  <b>Membership No.:</b> 109944  <b>Firm Registration No:</b> 121356W  <b>Peer review Certificate No.:</b> 014855</p>	<p><b>R M A Legal</b>  <b>Address:</b> 209 MIDAS, Sahar Plaza Complex, Andheri Kurla Road, Andheri(East), Mumbai 400059  <b>Tel No.:</b> +91- 99879 33318  <b>Email:</b> <a href="mailto:meenakshi@rmalegal.net">meenakshi@rmalegal.net</a>  <b>Contact Person:</b> Meenakshi Acharya</p>

BANKERS TO THE COMPANY	BANKERS TO THE ISSUE/ REFUND
<p><b>CANARA BANK</b>  <b>Address:</b> Dholaria Building, Vaniya Vadi, Gayatri Nagar, Rajkot-360002  <b>Telephone:</b>+91 8511109239  <b>Email:</b> cb6812@canarabank.com  <b>Website:</b> https:canarabank.com  <b>Contact Person:</b> Mr. Bhupesh Kumar Meena</p>	<p>[●]</p>

## DESIGNATED INTERMEDIARIES

### Self-Certified Syndicate Banks

The list of SCSBs, as updated till date, is available on website of Securities and Exchange Board of India at below link.

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>

Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

#### 1. Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provided on the website of SEBI on

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>

## BROKERS TO THE ISSUE

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

## REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>, 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.

## STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Sobhagya Capital Options Private Limited is only Lead Manager to the Issue, all the responsibility of the Issue will be managed by them.

## CREDIT RATING

As this is an issue of Equity Shares, there is no credit rating for this Issue.

## IPO GRADIN

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.

## FILING OF DRAFT PROSPECTUS/ PROSPECTUS WITH THE STOCK EXCHANGE, BOARD AND THE REGISTRAR OF COMPANIES

The Draft Prospectus is being filed with Emerge Platform of BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 Maharashtra, India.

Draft Prospectus will not be filed with SEBI nor will SEBI issue any observation on the draft offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of Draft Prospectus will be available on website of the company <https://www.tixnatools.com/>, Lead Manager <https://www.oneviewadvisors.com/> and stock exchange [www.bseindia.com](http://www.bseindia.com).

A copy of the Draft Prospectus, along with the material contracts and documents referred elsewhere in the Draft Prospectus, will be delivered to the Registrar of Companies ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus top, Naranpura, Ahmedabad-380013, Gujarat, India; Phone: 079-27438531 and the same will also be available on the website of the company <https://www.tixnatools.com/> for inspection.

## CHANGES IN AUDITORS IN LAST THREE YEARS

Particulars	Initial Date of Appointment	Date of change	Reason for change
<b>M/s. R. N. Vekariya &amp; Associates</b> <b>Address:</b> "Karmyogi", 1-Ram Vihar Society, Bh. Twin Star, 150 Feet Ring Road, Rajkot-360005 , Gujarat, India <b>Telephone:</b> 8320759174 <b>E-mail:</b> <a href="mailto:venkariyarashmin@gmail.com">venkariyarashmin@gmail.com</a> <b>Membership No.:</b> 118275 <b>FRN:</b> 125819W <b>Contact Person:</b> CA Rashmin Venkariya	November 30, 2021	August 20, 2024	M/s. R. N. Vekariya & Associates resigned due to pre-occupation in other assignments.
<b>M/s V S S B &amp; Associates</b> <b>Address:</b> A-912, Ratnaakar Nine Square, Opp. ITC Narmada Vastrapur, Ahmedabad-380015, Gujarat, India. <b>Telephone:</b> +91 9377771182, 07927541783 <b>E-mail:</b> <a href="mailto:vishvesca@gmail.com">vishvesca@gmail.com</a> <b>FRN:</b> 121356W <b>Contact Person:</b> CA Vishves A. Shah <b>Membership No.:</b> 109944		August 26, 2024	Appointed to fill Causal Vacancy
<b>M/s V S S B &amp; Associates</b> <b>Address:</b> A-912, Ratnaakar Nine Square, Opp. ITC Narmada Vastrapur, Ahmedabad-380015, Gujarat, India. <b>Telephone:</b> +91 9377771182, 07927541783 <b>E-mail:</b> <a href="mailto:vishvesca@gmail.com">vishvesca@gmail.com</a> <b>FRN:</b> 121356W <b>Contact Person:</b> CA Vishves A.		September 30, 2024	Regularized as Statutory auditors of the Company for a period of 5 years from FY 2024-25 to FY 2028-29

Particulars	Initial Date of Appointment	Date of change	Reason for change
Shah Membership No.: 109944			

### Grading of the Issue

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

### Expert

Our Company has received a written consent dated [●], from M/s V S S B & Associates, Chartered Accountant, the statutory auditor of our Company, who is also peer reviewed, to include their name in this Draft Prospectus as an "expert", as defined under applicable laws, to the extent and in their capacity as statutory auditors, and in respect of the Restated Financial Statements and the Statement of Special Tax Benefits issued by them, included in this Draft Prospectus. Such consent has not been withdrawn as on the date of this Draft Prospectus.

### Monitoring Agency

Since the size of the Issue does not exceed one hundred crore rupees, we are not required to appoint monitoring agency for monitoring the utilization of Net Proceeds in accordance with Regulation 262(1) of SEBI ICDR Regulations.

Our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### Appraising Entity

Our Company has not appointed any appraising agency for appraisal of the Project.

### Credit Rating

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

### Debenture trustees

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

### Filing the Draft Offer Document/ Offer Document

A soft copy of this Draft Prospectus has been and a soft copy of the Prospectus will be filed with SME Platform of BSE Limited. The Draft Prospectus shall not be filed with SEBI, nor shall SEBI issue any observation on the Draft Prospectus in terms of Regulation 246(2) of SEBI ICDR Regulations.

However, pursuant to Regulation 246(5), the soft copy of Prospectus shall be submitted to SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus shall be filed online with the SEBI through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

### Type of Issue

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

### Underwriter

In terms of Regulation 260(1) of the SEBI ICDR Regulations, the initial public Offer shall be underwritten for hundred per cent (100%) of the Issue and shall not be restricted up to the minimum subscription level and as per sub regulation (2), the Lead Manager shall underwrite at least fifteen per cent (15%) of the Issue size on their own account(s).

Our Company and the Lead Manager to the Issue hereby confirm that the Issue is 100% underwritten. The

underwriting agreement is dated [●] and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The Underwriter has indicated their intention to underwrite following number of specified securities being issued through this Issue.

Name, Address, Telephone, and Email of the Underwriter	Indicated number of Equity Shares to be Underwritten*	Amount Underwritten (Rs. in lakh)	% of the total Issue Size Underwritten
[●]	[●]	[●]	[●]

\*Includes [●] Equity Shares of ₹10 each of the Market Maker Reservation Portion which are to be subscribed by the Market Maker vide their agreement dated [●] in order to comply with the requirements of Regulation 261 of the SEBI ICDR Regulations.

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

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

Our Company and the Lead Manager has entered into Market Making Agreement dated [●] with the following Market Maker to fulfill the obligations of Market Making for this Issue:

Name	[●]
Address	[●]
Telephone	[●]
E-mail	[●]
Contact Person	[●]
SEBI Registration No.	[●]
Market Maker Registration with [●]	[●]

[●], registered with BSE Limited, will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified in SEBI ICDR Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI ICDR Regulations and the circulars issued by the BSE Limited and SEBI in this matter from time to time.

*In terms of regulation 261(1) of SEBI ICDR Regulations, the Market Making arrangement through the Market Maker will be in place for a period of three years from the date of listing of our Equity Shares and shall be carried out in accordance with SEBI ICDR Regulations and the circulars issued by the BSE Limited and SEBI regarding this matter from time to time.*

*In terms of regulation 261(2) of SEBI ICDR Regulations, the Market Maker or Issuer, in consultation with the Lead Manager(s) may enter into agreements with the nominated investors for receiving or delivering the specified securities in market making, subject to the prior approval of the BSE Limited.*

*In terms of regulation 261(3) of SEBI ICDR Regulations, following is a summary of the key details pertaining to the Market Making arrangement:*

The Market Maker "[●]", shall be required to provide a two-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker(s).

The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of BSE Limited and SEBI from time to time.

The minimum depth of the quote shall be ₹1.00 Lakh. However, the investors with holdings of value less than ₹1.00

lakh 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.

There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE Limited may intimate the same to SEBI after due verification.

The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on [●] (in this case currently the minimum trading lot size is [●] Equity Shares; however, the same may be changed by the stock exchange from time to time).

The Equity Shares of the Company will be traded in Trade for Trade Segment for the first 10 days from commencement of trading (as per SEBI Circular no: CIR/MRD/DP/ 02/2012 dated January 20, 2012) on the SME Platform of BSE and market maker will remain present as per the guidelines mentioned under the BSE Limited and SEBI circulars.

The Market Maker shall start providing quotes from the day of the listing / the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the SEBI.

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 Stock Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Stock Exchange for deciding controllable and non-controllable reasons would be final.

In terms of regulation 261(6) of SEBI ICDR Regulations, the Market Maker shall not buy the Equity Shares from the Promoter or members belonging to Promoter Group of the Issuer or any person who has acquired shares from such promoter or person belonging to Promoter Group, during the compulsory market making period.

In terms of regulation 261(7) of SEBI ICDR Regulations, the Promoter's holding of the Company shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the Promoter's holding of our Company which is not locked-in as per the SEBI ICDR Regulations, can be traded with prior permission of the BSE Limited, in the manner specified by SEBI from time to time.

The Lead Manager may be represented on the Board of Directors of the Issuer in compliance with Regulation 261 (8) of SEBI ICDR Regulations.

The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Issuer Company at any particular level and is purely supposed to facilitate liquidity on the counter of our Company via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.

**Risk containment measures and monitoring for the Market Maker:** The SME platform of BSE Limited will have all margins which are applicable on the BSE Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. The SME platform of BSE Limited can impose any other margins as deemed necessary from time-to-time.

**Punitive Action in case of default by Market Maker(s):** The SME platform of BSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Stock 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 Stock Exchange from time to time. The Stock Exchange will impose a penalty on the Market Maker in case they are not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Stock 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.

The Market Maker(s) shall have the right to terminate said arrangement by giving 3 (three) months' notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory

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Market Making period, it shall be the responsibility of the 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 relevant laws and regulations applicable at that particular point of time.

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.

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)
Up to ₹20 Crore	25%	24%
₹20 to ₹50 Crore	20%	19%
₹50 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 /BSE Limited from time to time.

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.

#### **Withdrawal of the Issue**

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

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

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

## SECTION V - CAPITAL STRUCTURE

The Equity Share Capital of our Company, before the issue and after giving effect to the issue, as on the date of filing of the Draft Prospectus, is set forth below:

*(in ₹, except share data)*

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at issue price
<b>A.</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	65,00,000 Equity Shares of face value of ₹10 each	6,50,00,000	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>		
	41,58,400 Equity Shares of face value of ₹10 each	4,15,84,000	-
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS<sup>^</sup></b>		
	Issue of upto 15,00,000 Equity Shares of ₹ 10/- each at a price of ₹ 110/- per Equity Share.	1,50,00,000	16,50,00,000
	<b>Which Comprises:</b>		
	75,600 Equity Shares of face value of ₹10 each at a price of ₹ 110/- per Equity Share reserved as Market Maker Portion	7,56,000	84,48,000
	Net Offer to Public of 14,24,400 Equity Shares of ₹10 each at a price of ₹110/- per Equity Share to the Public	1,42,44,000	15,66,84,000
	Of which:		
	Allocation to Retail Individual Investors of 7,12,800 Equity Shares at a price of ₹110/- per Equity Share	71,28,000	7,84,08,000
	Allocation to other than Retail Individual Investors of 7,10,400 Equity Shares at a price of ₹110/- per Equity Share	71,04,000	7,81,44,000
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE *</b>		
	56,58,400 Equity Shares of face value ₹10 each	5,65,84,000	6,22,42,40,000
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		1,53,64,800
	After the Issue		16,53,64,800

\* Details to be included upon finalization of Issue Price

<sup>^</sup> The Issue has been authorised by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated 16 November 2024 and 19 December 2024, respectively.

### CLASS OF SHARES

The company has only one class of shares i.e. Equity Shares of ₹10/- each only and all Equity Shares are ranked pari-passu in all respects. All Equity Shares issued are fully paid-up as on date of the Draft Prospectus.

Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

## NOTES TO CAPITAL STRUCTURE

### 1) Changes in Authorized Share Capital

Date of General Meeting	Particulars of change in the Authorized Share Capital
September 23, 2013	Increase of the authorised share capital of our Company from ₹5,00,000 (rupees Five lakh) consisting of 50,000 (fifty thousand) Equity Shares to ₹75,00,000 (rupees Seventy Five lakh) consisting of 7,50,000 (seven lakh fifty thousand) Equity Shares of ₹10 each.
July 11, 2016	Increase of the authorised share capital of our Company from ₹75,00,000 (rupees Seventy Five lakh) consisting of 7,50,000 (seven lakh fifty thousand) Equity Shares of ₹10 each to ₹ 1,10,00,000 (One Crore ten lakh) consisting of 11,00,000 (Eleven Lakh) Equity Shares of ₹10 each.
February 19, 2020	Increase of the authorised share capital of our Company from ₹ 1,10,00,000 (One Crore ten lakh) consisting of 11,00,000 (Eleven Lakh) Equity Shares to ₹ 2,00,00,000 (Two Crore) consisting of 20,00,000 (Twenty Lakh) Equity Shares of ₹10 each.
October 05, 2021	Increase of the authorised share capital of our Company from ₹ 2,00,00,000 (Two Crore) consisting of 20,00,000 (Twenty Lakh) Equity Shares of ₹10 each to ₹ 5,00,00,000 (five crore) consisting of 50,00,000 (fifty lakhs) Equity Shares of ₹10 each.
September 14, 2024	Increase of the authorised share capital of our Company from ₹ 5,00,00,000 (five crore) consisting of 50,00,000 (fifty lakh) Equity Shares of ₹10 each to ₹ 6,50,00,000 (six crore fifty lakh) consisting of 65,00,000 (sixty-five lakhs) Equity Shares of ₹10 each.

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

The history of the Equity Share capital of our Company is set forth in the table below:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/transfer	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
On Incorporation (May 01, 2013)	50,000	10	10	Cash	Subscription to MOA(1)	50,000	5,00,000
01.04.2014- No info	5,08,490	10	10	Cash	(2)	5,58,490	55,84,900
August 11, 2016	3,38,800	10	10	Cash	Right Issue (3)	8,97,290	89,72,900

September 11, 2016	2,02,710	10	10	Cash	Right issue (4)	11,00,000	1,10,00,000
June 17, 2020	9,00,000	10	10	Cash	Right issue (5)	20,00,000	2,00,00,000
September 19, 2024	20,00,000	10	NA	NA	Bonus Issue in the ratio of 1:1 (One equity shares for every one equity share held) (6)	40,00,000	4,00,00,000
October 03, 2024	1,58,400	10	107	Cash	Private Placement (7)	41,58,400	4,15,84,000

<sup>(1)</sup> The details of allotment of 50,000 Fully Paid-up Equity Shares made to the subscribers to the Memorandum of Association are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per Equity share (in ₹)	Issue Price per Equity share (in ₹)
1.	Vipulbhai Laljibhai Ghoniya	10,000	10.00	10.00
2.	Kamalbhai Laljibhai Ghoniya	10,000	10.00	10.00
3.	Laljibhai Keshavbhai Ghoniya	10,000	10.00	10.00
4.	Pritiben Kamalbhai Ghoniya	9,998	10.00	10.00
5.	Kiranben Vipulbhai Ghoniya	10,000	10.00	10.00
6.	Jayaben Laljibhai Ghoniya	1	10.00	10.00
7.	Raghav Mansukhbhai dudhatra	1	10.00	10.00
<b>Total</b>		<b>50,000</b>		

<sup>(2)</sup> Further allotment of 5,08,490 Fully Paid-up Equity Shares of Rs 10/- each to the existing shareholders of the Company on rights basis are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per Equity share (in ₹)	Issue Price per Equity share (in ₹)
1.	Vipulbhai Laljibhai Ghoniya	2,66,090	10	10
2.	Kamalbhai Laljibhai Ghoniya	2,42,400	10	10
<b>Total</b>		<b>5,08,490</b>		

<sup>(3)</sup> Further allotment of 3,38,800 Fully Paid-up Equity Shares of Rs 10/- each to the existing shareholder of the Company on rights basis are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per Equity share (in ₹)	Issue Price per Equity share (in ₹)
1.	Pritiben Kamalbhai Ghonia	3,38,800	10	10
<b>Total</b>		<b>3,38,800</b>		

(4) Further allotment of 2,02,710 Fully Paid-up Equity Shares of Rs 10/- each to the existing shareholders of the Company on rights basis are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per Equity share (in ₹)	Issue Price per Equity share (in ₹)
1.	Vipulbhai Laljibhai Ghonia	5,000	10	10
2.	Kamalbhai Laljibhai Ghonia	5,000	10	10
3.	Laljibhai Keshavbhai Ghoniya	6,000	10	10
4.	Pritiben Kamalbhai Ghonia	1,81,700	10	10
5.	Jayaben Laljibhai Ghonia	5010	10	10
<b>Total</b>		<b>2,02,710</b>		

(5) Further allotment of 9,00,000 Fully Paid-up Equity Shares of Rs 10/- each to the existing shareholders of the Company on rights basis are as follows:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per Equity share (in ₹)	Issue Price per Equity share (in ₹)
1.	Vipulbhai Laljibhai Ghonia	52,240	10	10
2.	Kamalbhai Laljibhai Ghonia	75,930	10	10
3.	Laljibhai Keshavbhai Ghoniya	1,20,195	10	10
4.	Kiranben Vipulbhai Ghonia	3,23,335	10	10
5.	Jayaben Laljibhai Ghonia	3,28,300	10	10
<b>Total</b>		<b>9,00,000</b>		

(6) Bonus issue of 20,00,000 Fully Paid-up Equity Shares of Rs 10/- each in the ratio of 1:1 made to the existing shareholders of the company:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per Equity share (in ₹)	Issue Price per Equity share (in ₹)
1.	Vipulbhai Laljibhai Ghonia	3,33,330	10	0.00
2.	Kamalbhai Laljibhai Ghonia	3,33,330	10	0.00
3.	Kiranben Vipulbhai Ghonia	3,33,335	10	0.00
4.	Jayaben Laljibhai Ghonia	4,69,506	10	0.00
5.	Pritiben Kamalbhai Ghonia	5,30,498	10	
6.	Raghav Mansukhbhai dudhatra	1	10	0.00
<b>Total</b>		<b>20,00,000</b>		

(7) Preferential issue of 1,58,400 Fully Paid-up Equity Shares at face value of Rs 10/- each and at a premium of Rs. 97/- per share made to the allottee on Private Placement basis:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per Equity share (in ₹)	Issue Price per Equity share (in ₹)
1.	Khodidas Virjibhai Savaliya	60,000	10	107
2.	Jigneshbhai Lavjibhai Akabari Huf	19,200	10	107
3.	Jitenkumar Manojkumar Vadodariya	12,000	10	107
4.	Milankumar Rameshbhai Pitroda	6,000	10	107

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per Equity share (in ₹)	Issue Price per Equity share (in ₹)
5.	Pitroda Divyesh Rameshbhai	6,000	10	107
6.	Gajendrakumar Chhaganlal Patel	7,200	10	107
7.	Naimishbhai Vajubhai Ranpariya	6,000	10	107
8.	Jaydeep Mahendrakumar Shah	6,000	10	107
9.	Makadiya Prafulaben Prabhudas	6,000	10	107
10.	Patel Ranchhodbhai Laxamanbhai	6,000	10	107
11.	Mevada Jitendrabhai Natvarlal	6,000	10	107
12.	Jadeja Ramdevsinh Bhikhubha	6,000	10	107
13.	Rashmin Nathalal Vekariya	12,000	10	107
<b>Total</b>		<b>1,58,400</b>		

### 3) Convertible Warrants

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

### 4) Preference Share Capital

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

- Our Company has one class of share capital i.e., Equity Shares of face value of ₹10 each only. All issued Equity Shares are fully paid up.
- Our Company has not revalued its assets since inception. Further, our Company has not issued any Equity Shares out of revaluation reserves at any point of time.

### 5) Issue of shares for consideration other than cash or by way of bonus issue

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue or out of revaluation of reserves at any time since incorporation:

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
September 19, 2024	20,00,000	10	NA	Bonus issue in the ratio of 1 Equity Shares for every Equity Share held by existing Shareholders	Capitalization of Reserves & Surplus

### 6) Issue of Equity Shares pursuant to schemes of arrangement

Our Company has not allotted any Equity Shares pursuant to a scheme of amalgamation approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

### 7) Issue or transfer of Equity Shares under employee stock option schemes

Our Company does not have any employee stock option schemes under which any Equity Share is granted. Accordingly, no Equity Shares have been issued or transferred by our Company pursuant to the exercise of any employee stock options.

### 8) Issue of shares at a price lower than the Offer Price in the last year

Except as stated below our Company have not issued Equity Shares at a price below the Offer Price within the last one year preceding the date of this Draft Prospectus:

Preferential issue dated October 03, 2024 of 1,58,400 Fully Paid-up Equity Shares at face value of Rs 10/- each and at a premium of Rs. 97/- per share made to the allottee on Private Placement basis:

Sr. No.	Name of Allottee	No. of Equity Shares Allotted	Face Value per Equity share (in ₹)	Issue Price per Equity share (in ₹)
1.	Khodidas Virjibhai Savaliya	60,000	10	107
2.	Jigneshbhai Lavjibhai Akabari Huf	19,200	10	107
3.	Jitenkumar Manojkumar Vadodariya	12,000	10	107
4.	Milankumar Rameshbhai Pitroda	6,000	10	107
5.	Pitroda Divyesh Rameshbhai	6,000	10	107
6.	Gajendrakumar Chhaganlal Patel	7,200	10	107
7.	Naimishbhai Vajubhai Ranpariya	6,000	10	107
8.	Jaydeep Mahendrakumar Shah	6,000	10	107
9.	Makadiya Prafulaben Prabhudas	6,000	10	107
10.	Patel Ranchhodhbhai Laxamanbhai	6,000	10	107
11.	Mevada Jitendrabhai Natvarlal	6,000	10	107
12.	Jadeja Ramdevsinh Bhikhubha	6,000	10	107
13.	Rashmin Nathalal Vekariya	12,000	10	107
<b>Total</b>		<b>1,58,400</b>		

*[Remainder of the page has been intentionally left blank]*

## 9) Shareholding Pattern of our Company

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

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid-up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								No of Voting (XIV) Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class (Equity)	Class (e.g.: Y)	Total								
(A)	Promoters & Promoters Group	7	39,99,498	0	0	39,99,498	96.18	39,99,498	-	39,99,498	96.18	0	96.18	0	0	0	0	39,99,498
(B)	Public	15	1,58,902	0	0	1,58,902	3.82	1,58,902	-	1,58,902	3.82	0	3.82	0	0	0	0	1,58,902
(C)	Non-Promoters-Non-Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	0	0	-	0	0	0		0	0	0	0	
(C2)	Shares held by Employee Trusts	0	0	0	0	0	0	0	-	0	0	0		0	0	0	0	



	<b>Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Grand Total</b>	<b>22</b>	<b>41,58,400</b>	<b>0</b>	<b>0</b>	<b>41,58,400</b>	<b>100.00</b>	<b>41,58,400</b>	<b>-</b>	<b>41,58,400</b>	<b>100.00</b>	<b>0</b>	<b>100.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,58,400</b>
<b>Note:</b>																		
1.	<b>C=C1+C2</b>																	
2.	<b>Grand Total=A+B+C</b>																	

The term “Encumbrance” has the same meaning as assigned under Regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended. **Notes-**

*\*As on date of this Draft Prospectus, one Equity Shares holds one vote.*

*We have only one class of Equity Shares of face value of Rs. 10/- each.*

*We have entered into tripartite agreement with CDSL & NSDL*

*Our Company will file the shareholding pattern in the format prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, one day prior to the listing of the Equity Shares. The shareholding pattern will be uploaded on the Website of the BSE before commencement of trading of such Equity Shares.*

## 10) Other details of shareholding of our Company

As on the date of the filing of this Draft Prospectus, our Company has 22 Shareholders.

As on the date of this Draft Prospectus, our Promoters hold 32.03% of the pre-Issued, subscribed and paid-up Equity Share Capital of our Company. Set forth below are the details of the build - up of our Promoter's shareholding in our Company since incorporation:

Date of allotment/ acquisition / Transfers	Number of Equity Shares allotted/ transferred	Face Value per Equity Share (₹)	Issue // Transfer Price per Equity Share (₹)	Nature of Consideration	Nature of allotment/ transfer	Cumulative number of Equity Shares	% of Pre-Issue capital (₹) <sup>(1)</sup>	% of Post-Issue capital (₹) <sup>(1)</sup>	Pledge
<b>Vipulbhai Laljibhai Ghonia</b>									
Upon Incorporation (01 May, 2013)	10,000	10	10	Cash	Subscription to MOA	10,000	0.24	[●]	NA
Shares allotted	2,66,090	10	10	Cash	Further Issue	2,76,090	6.39	[●]	NA
September 11, 2016	5,000	10	10	Cash	Right Issue	2,81,090	0.12	[●]	NA
June 17, 2020	52,240	10	10	Cash	Right Issue	3,33,330	1.26	[●]	NA
September 12, 2024	(500)	10	10	Nil	Transfer to Ankit Patoliya by way of gift <sup>(i)</sup>	3,32,830	(0.01)	[●]	NA
September 12, 2024	(500)	10	10	Nil	Transfer to Kairavi Patoliya by way of gift <sup>(i)</sup>	3,32,330	(0.01)	[●]	NA
September 09, 2024	3,33,330	10	Nil	NA	Bonus Issue	6,65,660	8.02	[●]	NA
<b>Sub-Total (A)</b>	<b>6,65,660</b>						<b>16.01</b>	<b>[●]</b>	<b>NA</b>
<b>Kamalbhai Laljibhai Ghonia</b>									
Upon Incorporation (01 May, 2013)	10,000	10	10	Cash	Subscription to MOA	10,000	0.24	[●]	NA
Shares allotted	2,42,400	10	10	Cash	Further Issue	2,52,400	5.82	[●]	NA
September 11, 2016	5,000	10	10	Cash	Right Issue	2,57,400	0.12	[●]	NA
June 17, 2020	75,930	10	10	Cash	Right Issue	3,33,330	1.83	[●]	NA
September 12, 2024	(500)	10	10	Nil	Transfer to Khushi Ghonia by way of gift <sup>(ii)</sup>	3,32,830	(0.01)	[●]	NA

September 09, 2024	3,33,330	10	Nil	NA	Bonus Issue	6,66,160	8.02	[•]	NA
<b>Sub-Total (B)</b>	<b>6,66,160</b>						<b>16.02</b>	[•]	<b>NA</b>
<b>Total of (A+B)</b>	<b>13,31,820</b>						<b>32.03</b>	[•]	<b>NA</b>

i. The figures in the row have been rounded-off to the closest decimal.

**Notes:**

i. Details of 1000 Equity Shares having face value of Rs. 10/- each transferred by our Promoter Vipulbhai Laljibhai Ghonia, by way of gift deed which was executed on September 12, 2024.

Sr No.	Date of transfer	Name of transferor	No. of share transfer	Name of transferee
1.	September 12, 2024	Vipulbhai Laljibhai Ghonia	500	Ankit Patoliya
2.	September 12, 2024	Vipulbhai Laljibhai Ghonia	500	Kairavi Patoliya

i. Details of 500 Equity Shares having face value of Rs. 10/- each transferred by our Promoter Kamalbhai Laljibhai Ghonia, by way of gift deed which was executed on September 12, 2024.

Sr No.	Date of transfer	Name of transferor	No. of share transfer	Name of transferee
1.	September 12, 2024	Kamalbhahi Laljibhai Ghonia	500	Khushi Ghonia

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

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹)*
1.	Vipulbhai Laljibhai Ghonia	6,65,660	5
2.	Kamalbhahi Laljibhai Ghonia	6,66,160	5
<b>TOTAL</b>		<b>13,31,820</b>	

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

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

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Equity Share capital (%) *
1.	Vipulbhai Laljibhai Ghonia	6,65,660	16.01
2.	Kamalbhahi Laljibhai Ghonia	6,66,160	16.02
3.	Kiranben Vipulbhai Ghonia	6,66,670	16.03
4.	Pritiben Kamalbhai Ghonia	10,60,996	25.51
5.	Jayaben Laljibhai Ghonia	9,39,012	22.58
6.	Khodidas Virjibhai Savaliya	60,000	1.44
<b>Total</b>		<b>40,58,498</b>	<b>97.60</b>

*\*Rounded off to the closest decimal*

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

<b>Sr.</b>	<b>Name of the Shareholder</b>	<b>Number of Equity Shares</b>	<b>Percentage of the Equity Share capital (%)*</b>
1.	Vipulbhai Laljibhai Ghonia	6,65,660	16.01
2.	Kamalbhai Laljibhai Ghonia	6,66,160	16.02
3.	Kiranben Vipulbhai Ghonia	6,66,670	16.03
4.	Pritiben Kamalbhai Ghonia	10,60,996	25.51
5.	Jayaben Laljibhai Ghonia	9,39,012	22.58
6.	Khodidas Virjibhai Savaliya	60000	1.44
	<b>Total</b>	<b>40,58,498</b>	<b>97.60</b>

*\*Rounded off to the closest decimal*

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

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>Number of Equity Shares</b>	<b>Percentage of the Equity Share capital (%)*</b>
1.	Vipulbhai Laljibhai Ghonia	3,33,330	16.67
2.	Kamalbhai Laljibhai Ghonia	3,33,330	16.67
3.	Laljibhai Keshavbhai Ghoniya	1,36,195	6.81
4.	Kiranben Vipulbhai Ghonia	3,33,335	16.67
5.	Pritiben Kamalbhai Ghonia	5,30,498	26.52
6.	Jayaben Laljibhai Ghonia	3,33,311	16.66
7.	<b>Total</b>	<b>19,99,999</b>	<b>100.00</b>

*\*Rounded off to the closest decimal*

*\* 1(one) share of face value Rs. 10 is held by Raghav Mansukhbhai Dudhatra*

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

<b>Sr. No.</b>	<b>Name of the Shareholder</b>	<b>Number of Equity Shares</b>	<b>Percentage of the Equity Share capital (%)*</b>
1.	Vipulbhai Laljibhai Ghonia	3,33,330	16.67
2.	Kamalbhai Laljibhai Ghonia	3,33,330	16.67
3.	Laljibhai Keshavbhai Ghoniya	1,36,195	6.81
4.	Kiranben Vipulbhai Ghonia	3,33,335	16.67
5.	Pritiben Kamalbhai Ghonia	5,30,498	26.52
6.	Jayaben Laljibhai Ghonia	3,33,311	16.66
	<b>Total</b>	<b>19,99,999</b>	<b>100.00</b>

*\*Rounded off to the closest decimal*

*\* 1(one) share of face value Rs. 10 is held by Raghav Mansukhbhai Dudhatra*



Kamalbhai Laljibhai Ghonia	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
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**20)** The shareholding of the Promoter 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.

**21)** All the Equity Shares held by our Promoter are in dematerialized form.

**22)** The Equity Shares held by shareholders other than promoter shall be locked-in for a period of one (1) year from the date of Allotment in the Issue except for any Equity Shares held by the eligible employees (whether currently employees or not and including the legal heirs or nominees of any deceased employees or ex-employees, the same may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.

In this connection, please note that:

The Equity Shares issued for Promoter's contribution do not include:

(i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalization of intangible assets was involved in such transaction

(ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of minimum Promoter's contribution.

**23)** The minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being issued to the public in the Issue.

**24)** Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm.

**25)** As on the date of this Draft Prospectus, none of the Equity Shares held by our Promoter are pledged.

**26)** In terms of Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by our Promoter which are locked in as per Regulation 238 of the SEBI ICDR Regulations, may be transferred to the other Promoter or any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 243 of the SEBI ICDR Regulations, Equity Shares held by persons (other than our Promoter) prior to the Issue and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in with the transferee for the remaining period (and such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the provisions of the Takeover Regulations.

**27)** There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of filing of this Draft Prospectus.

**28)** Except for the allotment of Equity Shares pursuant to the Issue, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

**29)** 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 filing of this Draft Prospectus with SEBI until

the Equity Shares have been listed on the Stock Exchanges or all application moneys have been refunded to the Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, undersubscription etc., as the case may be.

**30)** Our Company, our Directors and the Lead Manager have no existing buy-back arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Issue.

**31)** All Equity Shares offered pursuant to the Issue shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Prospectus.

**32)** As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

**33)** There are no outstanding convertible securities, options or rights to convert debentures, loans or other instruments into Equity Shares as on the date of this Draft Prospectus.

**34)** Our Company shall ensure that transactions in the Equity Shares by the Promoter Group between the date of filing the draft offer documents with the Registrar of Companies and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.

**35)** No person connected with the Issue, including, but not limited to, the Lead Manager, the members of the Syndicate, our Company and Directors shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an Application.

**36)** There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

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## SECTION VI: PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue comprise of a fresh Issue of 15,00,000 Equity Shares of our Company at an Issue Price of Rs. 110/- per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. Purchase and installation of plant and machinery for manufacturing of Carbide Precision Tools at the Existing Premises (factory at Survey no. 63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India to be referred to as the “Existing Premises”);
2. Purchase of Software for automation;
3. Funding of working capital requirements; and
4. General corporate purposes
5. (Collectively, herein referred to as the “Objects”)

Also, we believe that the listing of our Company’s Equity Shares will enhance our Company’s corporate image, brand name and create a public market for our Equity Shares in India. It will also provide liquidity to the existing Shareholders and will also create a public trading market for the Equity Shares of our Company.

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association. For the main objects clause of our Memorandum of Association, see “History and Certain Corporate Matters” beginning on page 158.

### ISSUE PROCEEDS

The details of the Issue proceeds are summarized below:

Particulars	Estimated amount <sup>(1)</sup>
Gross Proceeds of the Issue	[●]
Less: Issue related expenses	[●]
Net proceeds of the Issue after deducting the Issue related expenses to be borne by our Company (“Net Proceeds”)	[●]

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

### UTILIZATION OF NET PROCEEDS:

Sr. No.	Purpose	Net Proceeds	% of Gross Proceeds	% of Net Proceeds
	Purchase and installation of plant and machinery for Carbide Precision Tools at Existing Premises	690.23	41.83	46.32
	Purchase of Software for Automation	57.85	3.51	3.88
	Funding of working capital requirements	501.92	30.42	33.69
	General corporate purposes*	[●]	[●]	[●]
	<b>Total</b>	[●]	[●]	[●]

\* The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue however we intend not to exceed 15% of the Gross Proceeds.

### SCHEDULE OF IMPLEMENTATION & DEPLOYMENT OF FUNDS



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. As on the date of this Draft Prospectus, except for Issue related expenses, our Company has not deployed any funds towards the Objects.

(₹ in lakhs)

Sr. No.	Purpose	Amount to be funded from the Net Proceeds	Estimated utilization of Net Proceeds
			F.Y. 2025-26
1	Purchase and installation of Plant and machinery for Carbide Precision Tools on the Existing Premises	690.23	690.23
2	Purchase of Software for automation	57.85	57.85
3	Funding of working capital requirements	501.92	501.92
4	General corporate purposes	[●]	[●]

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

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, market conditions and other external commercial and technical factors including interest rates, exchange rate fluctuations and other charges. However, such fund requirements and deployment of funds have not been appraised by any bank or financial institution. For further details, see “Risk Factors - ***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”***” on page 88. We may have to revise our funding requirements and deployment schedule on account of a variety of factors such as our financial and market condition, business and strategy, variation in cost estimates and other external factors such as changes in the business environment and interest or exchange rate fluctuations, 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 laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled Fiscal Year is not completely met, due to the reasons stated above, the same shall be utilised in the next Fiscal Year, as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used towards general corporate purposes, to the extent that the total amount to be utilised towards general corporate purposes is within the permissible limits in accordance with the SEBI ICDR Regulations.

## MEANS OF FINANCE

The entire fund requirements for our Objects are proposed to be funded from the Net Proceeds. 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 Regulation 230(1)(e) 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. Further funds deployed in the Objects after the date of filing the Draft Prospectus and before the receipt of Net Proceeds shall be temporary funded by our Company from its internal accruals as a short-term borrowing and such temporary

arrangement of funds for the Objects made available by our Company shall be routed back to our Company from the Net Proceeds.

## DETAILS OF THE OBJECTS OF THE ISSUE

The details of the Issue are set out below:

**(1) Purchase and installation of plant and machinery for Carbide Precision Tools at the Existing Premises.**

Our Company proposes to utilize Rs. 690.23 lakhs from the Net Proceeds for the purchase and installation of plant and machinery for manufacturing Carbide Precision Tools at the Existing Premises. This new machinery augments production capacity of the Company.

Quotations received, for funding of expenses proposed to be incurred towards purchase and installation of plant and machineries is mentioned below:

Sr. No	Name of Machine	Quotation By	Detail/Component of Machine	Unit Price (In AUD)	Date of Quotation	Validity of Quotation	Quantity	Total Amount (In AUD)	AUD to INR Conversion Rate*	Amount in Lacs (In ₹)
1	FX5 Liner	ANCA Manufacturing (Thailand) Ltd.	Details mentioned in "Table A" set forth below	2,77,000	January 25, 2025	90 days	1	277000	54.78	151.74
2	FX5 Liner	ANCA Manufacturing (Thailand) Ltd.	Details mentioned in "Table B" set forth below	2,67,000	January 25, 2025	90 days	1	267000	54.78	146.26
3	FX 5E Linear	ANCA Manufacturing (Thailand) Ltd.	Details mentioned in "Table C" set forth below	2,25,000	January 25, 2025	90 days	1	225000	54.78	123.26
4	FX 5E Linear	ANCA Manufacturing (Thailand) Ltd.	Details mentioned in "Table D" set forth below	2,06,000	January 25, 2025	90 days	1	206000	54.78	112.85
5	CPX Linear	ANCA Manufacturing (Thailand) Ltd.	Details mentioned in "Table E" set forth below	2,85,000	January 25, 2025	90 days	1	285000	54.78	156.12
			<b>TOTAL</b>					<b>12,60,000</b>		<b>690.23</b>

\*The exchange rate mentioned is as per TT Selling Rate of Card Rate of Canara Bank as on January 27, 2025.

Table A			
FX5 Linear Machine			
Item #	Description	Qty	Price (in AUD)
	STANDARD MACHINE		

1	<i>FX5 Linear (incl: ToolRoom Software)</i>	1	\$358,930
<b>WORK HOLDING</b>			
2	<i>Pull Stud (DIN)</i>	1	\$58
3	<i>Collet (Schaublin W25 80-92872) - ø3.0mm</i>	1	\$370
4	<i>Collet (Schaublin W25 80-92872) - ø4.0mm</i>	1	\$370
5	<i>Collet (Schaublin W25 80-92872) - ø5.0mm</i>	1	\$370
6	<i>Collet (Schaublin W25 80-92872) - ø6.0mm</i>	1	\$370
7	<i>Collet (Schaublin W25 80-92872) - ø8.0mm</i>	1	\$370
8	<i>Collet (Schaublin W25 80-92872) - ø10.0mm</i>	1	\$370
9	<i>Collet (Schaublin W25 80-92872) - ø12.0mm</i>	1	\$370
10	<i>Collet (Schaublin W25 80-92872) - ø14.0mm</i>	1	\$370
11	<i>Collet (Schaublin W25 80-92872) - ø18.0mm</i>	1	\$370
12	<i>Collet (Schaublin W25 80-92872) - ø16.0mm</i>	1	\$370
13	<i>Collet (Schaublin W25 80-92872) - ø20.0mm</i>	1	\$370
14	<i>PUSH Drawbar</i>	1	\$740
15	<i>Clamp Unit Assembly (DIN 69871/72)</i>	1	\$1,570
16	<i>Collet Adaptor - PremierPlus PCA W25</i>	1	\$6,600
<b>TOOL SUPPORT</b>			
17	<i>Steady Bed (Long)</i>	1	\$1,950
<b>WHEEL ARBORS</b>			
18	<i>Wheel Arbor Spanner (to suit ø20mm Arbors)</i>	1	\$210
19	<i>Wheel Arbor (HSK40F) - ø20mm x 78mm L</i>	6	\$4,032
<b>MEASUREMENT</b>			
20	<i>iView Camera x90 to x360 magnification</i>	1	\$12,250
<b>COOLANT / FIRE / MIST SYSTEMS</b>			
21	<i>Coolant Manifold Assy</i>	2	\$320
22	<i>Mist Extractor Shutoff Kit</i>	1	\$900
23	<i>Canister (Pyrogen MAG-5)</i>	1	\$1,365
24	<i>Fire System</i>	1	\$6,900
<b>MISCELLANEOUS ACCESSORIES</b>			
25	<i>USB WiFi Dongle</i>	1	\$110
26	<i>Probe Tip (Left Hand)</i>	1	\$150
<b>SOFTWARE</b>			
27	<i>WIBU Dongle</i>	1	\$540
28	<i>Complete Tool Runout Compensation</i>	1	\$1,656
29	<i>Multi-Drill Gash</i>	1	\$3,881
30	<i>Profile</i>	1	\$12,213
<b>SURCHARGE</b>			
31	<i>Temporary Freight Surcharge</i>	1	\$1,478
32	<i>Packaging - FX5 Linear</i>	1	\$2,250
33	<i>Auto Headstock Assembly Push Pull</i>	1	\$10,000

34	Incoterms - CIF	1	\$12,000
	PACKAGE TOTAL BEST PRICE IN AUD FOR MACHINE		\$444,173
	PACKAGE DISCOUNT		\$167,173
	PACKAGE TOTAL BEST PRICE IN AUD FOR MACHINE		\$277,000

<b>Table B</b>			
<b>FX5 Linear Machine</b>			
<b>Item #</b>	<b>Description</b>	<b>Qty</b>	<b>Price (in AUD)</b>
<b>STANDARD MACHINE</b>			
1	FX5 Linear (incl. ToolRoom Software)	1	\$358,930
<b>WORK HOLDING</b>			
2	Pull Stud (DIN)	1	\$58
3	Collet (Schaublin W25 80-92872) - $\phi$ 3.0mm	1	\$370
4	Collet (Schaublin W25 80-92872) - $\phi$ 4.0mm	1	\$370
5	Collet (Schaublin W25 80-92872) - $\phi$ 5.0mm	1	\$370
6	Collet (Schaublin W25 80-92872) - $\phi$ 6.0mm	1	\$370
7	Collet (Schaublin W25 80-92872) - $\phi$ 8.0mm	1	\$370
8	Collet (Schaublin W25 80-92872) - $\phi$ 10.0mm	1	\$370
9	Collet (Schaublin W25 80-92872) - $\phi$ 12.0mm	1	\$370
10	Collet (Schaublin W25 80-92872) - $\phi$ 14.0mm	1	\$370
11	Collet (Schaublin W25 80-92872) - $\phi$ 18.0mm	1	\$370
12	Collet (Schaublin W25 80-92872) - $\phi$ 16.0mm	1	\$370
13	Collet (Schaublin W25 80-92872) - $\phi$ 20.0mm	1	\$370
14	PUSH Drawbar	1	\$740
15	Clamp Unit Assembly (DIN 69871/72)	1	\$1,570
16	Collet Adaptor - PremierPlus PCA W25	1	\$6,600
<b>TOOL SUPPORT</b>			
17	Steady Bed (Long)	1	\$1,950
<b>WHEEL ARBORS</b>			
18	Wheel Arbor (HSK40F) - $\phi$ 20mm x 78mm Length	4	\$2,688
<b>COOLANT / FIRE / MIST SYSTEMS</b>			
19	Coolant Manifold Assy	2	\$320
20	Mist Extractor Shutoff Kit	1	\$900
21	Canister (Pyrogen MAG-5)	1	\$1,365
22	Fire System	1	\$6,900
<b>MISCELLANEOUS ACCESSORIES</b>			
23	USB WiFi Dongle	1	\$110
24	Probe Tip (Left Hand)	1	\$150
<b>SOFTWARE</b>			
25	WIBU Dongle	1	\$540
26	Complete Tool Runout Compensation	1	\$1,656
27	Multi-Drill Gash	1	\$3,881
28	Profile	1	\$12,213
<b>SURCHARGE</b>			
29	Temporary Freight Surcharge	1	\$1,478
1	Packaging - FX5 Linear	1	\$2,250
2	Auto Headstock Assembly Push Pull	1	\$10,000
3	Incoterms - CIF	1	\$12,000
	PACKAGE TOTAL BEST PRICE IN AUD FOR MACHINE		\$430,369
	PACKAGE DISCOUNT		\$163,369

	PACKAGE TOTAL BEST PRICE IN AUD FOR MACHINE		\$267,000
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<b>Table C</b>			
<b>FX5 E Linear Machine</b>			
<b>Item #</b>	<b>Description</b>	<b>Qty</b>	<b>Price (in AUD)</b>
<b>STANDARD MACHINE</b>			
1	FX5 E Linear (incl: ToolRoom Software)	1	\$274,010
<b>WORK HOLDING</b>			
2	Pull Stud (DIN)	1	\$58
3	Collet (Schaublin W25 80-92872) - $\phi$ 3.0mm	1	\$370
4	Collet (Schaublin W25 80-92872) - $\phi$ 4.0mm	1	\$370
5	Collet (Schaublin W25 80-92872) - $\phi$ 6.0mm	1	\$370
6	Collet (Schaublin W25 80-92872) - $\phi$ 8.0mm	1	\$370
7	Collet (Schaublin W25 80-92872) - $\phi$ 10.0mm	1	\$370
8	Collet (Schaublin W25 80-92872) - $\phi$ 12.0mm	1	\$370
9	Collet (Schaublin W25 80-92872) - $\phi$ 14.0mm	1	\$370
10	Collet (Schaublin W25 80-92872) - $\phi$ 16.0mm	1	\$370
11	PUSH Drawbar	1	\$740
12	Clamp Unit Assembly (DIN 69871/72)	1	\$1,570
13	Collet Adaptor - PremierPlus PCA W25	1	\$6,600
<b>TOOL SUPPORT</b>			
14	Steady Bed (Long)	1	\$1,950
15	Pop Up Steady Assy (Manual) (incl. a set of V Steady Shoes $\phi$ 2mm - $\phi$ 21mm)	1	\$6,200
<b>WHEEL ARBORS</b>			
16	Wheel Arbor Spanner (to suit $\phi$ 20mm Wheel Arbors)	1	\$210
17	Wheel Arbor (HSK40F) - $\phi$ 20mm x 78mm Length	5	\$3,360
<b>COOLANT / FIRE / MIST SYSTEMS</b>			
18	Fire System - Blanking Kit	1	\$0
19	Coolant Manifold Assy	2	\$320
<b>MISCELLANEOUS ACCESSORIES</b>			
20	Probe Breakaway Piece	5	\$60
21	Qualification Bar ( $\phi$ 12mm)	1	\$105
22	USB WiFi Dongle	1	\$110
23	Probe Tip (Left Hand)	2	\$300
24	Wheel and Coolant Setup Rig	1	\$1,150
<b>SOFTWARE</b>			
25	Complete Tool Runout Compensation	1	\$1,656
26	ToolRoom - RN35.1 Full	1	\$3,000
27	Multi-Drill Gash	1	\$3,881
28	ToolDraft (V2.0) - Full	1	\$4,658
29	CIM3D (V9.0) - Full	1	\$10,868
30	Profile	1	\$12,213
<b>TOOL KIT ITEMS</b>			
31	Allen Key 'T' 4mm x 300mm Long	1	\$7
32	22mm Socket Spanner Assembly	1	\$20
33	Tool Box	1	\$65
34	Mount Tool OTT-Jakob SK50	1	\$150
<b>SURCHARGE</b>			
35	Temporary Freight Surcharge	1	\$1,478

36	Packaging - FX5 Linear	1	\$2,250
37	Additional 5 Days training (Total 10 Days)	1	\$3,500
38	Auto Headstock Assembly Push Pull	1	\$10,000
39	Incoterms – Mumbai Sea Port	1	\$12,000
	PACKAGE TOTAL BEST PRICE IN AUD FOR MACHINE		\$365,449
	PACKAGE DISCOUNT		\$140,449
	PACKAGE TOTAL BEST PRICE IN AUD FOR MACHINE		\$225,000

<b>Table D</b>			
<b>FX5 E Linear Machine</b>			
<b>Item #</b>	<b>Description</b>	<b>Qty</b>	<b>Price (in AUD)</b>
<b>STANDARD MACHINE</b>			
1	FX5 E Linear (incl: ToolRoom Software)	1	\$274,010
<b>WORK HOLDING</b>			
2	Pull Stud (DIN)	1	\$58
3	Collet (Schaublin W25 80-92872) - ø3.0mm	1	\$370
4	Collet (Schaublin W25 80-92872) - ø4.0mm	1	\$370
5	Collet (Schaublin W25 80-92872) - ø6.0mm	1	\$370
6	Collet (Schaublin W25 80-92872) - ø8.0mm	1	\$370
7	Collet (Schaublin W25 80-92872) - ø10.0mm	1	\$370
8	Collet (Schaublin W25 80-92872) - ø12.0mm	1	\$370
9	Collet (Schaublin W25 80-92872) - ø14.0mm	1	\$370
	Collet (Schaublin W25 80-92872) - ø16.0mm	1	\$370
	PUSH Drawbar	1	\$740
	Clamp Unit Assembly (DIN 69871/72)	1	\$1,570
	Collet Adaptor - PremierPlus PCA W25	1	\$6,600
<b>TOOL SUPPORT</b>			
	Steady Bed (Long)	1	\$1,950
<b>WHEEL ARBORS</b>			
	Wheel Arbor (HSK40F) - ø20mm x 78mm Length	5	\$3,360
<b>COOLANT / FIRE / MIST SYSTEMS</b>			
	Fire System - Blanking Kit	1	\$0
	Coolant Manifold Assy	2	\$320
<b>MISCELLANEOUS ACCESSORIES</b>			
	USB WiFi Dongle	1	\$110
	Probe Tip (Left Hand)	2	\$300
<b>SOFTWARE</b>			
20	Complete Tool Runout Compensation	1	\$1,656
21	Multi-Drill Gash	1	\$3,881
22	Profile	1	\$12,213
<b>SURCHARGE</b>			
23	Temporary Freight Surcharge	1	\$1,478
24	Packaging - FX5 Linear	1	\$2,250
25	Auto Headstock Assembly Push Pull	1	\$10,000
36	Incoterms - CIF	1	\$12,000
	PACKAGE TOTAL BEST PRICE IN AUD FOR MACHINE		\$335,456
	PACKAGE DISCOUNT		\$129,456
	PACKAGE TOTAL BEST PRICE IN AUD FOR MACHINE		\$206,000

<b>Table E</b>			
<b>CPX Linear Machine</b>			

Item #	Description	Qty	Price (in AUD)
<b>STANDARD MACHINE</b>			
1	CPX Linear (incl: ToolRoom Software, Airloc Feet, iBalance & MTC software, Wheel Arbors x2)	1	\$361,350
<b>AUTOMATION</b>			
2	Pallet Spacer - 6mm Thickness	2	\$200
3	Pallet Spacer - 10mm Thickness	2	\$240
4	Pallet Spacer - 16mm Thickness	2	\$320
5	Pallet Top Plate - $\phi$ 3.0mm	2	\$820
6	Pallet Top Plate - $\phi$ 4.0mm	2	\$820
7	Pallet Top Plate - $\phi$ 5.0mm	2	\$820
8	Pallet Top Plate - $\phi$ 6.0mm	2	\$820
9	Pallet Top Plate - $\phi$ 8.0mm	2	\$820
10	Pallet Top Plate - $\phi$ 10.0mm	2	\$820
11	Pallet Top Plate - $\phi$ 12.0mm	2	\$820
12	Pallet Top Plate - $\phi$ 14.0mm	2	\$820
13	Pallet Top Plate - $\phi$ 16.0mm	2	\$820
14	RoboTeach Software	1	\$900
15	Gripper Set - $\phi$ 3mm / $\phi$ 16mm	1	\$1,050
16	RoboTeach (for AR300)	1	\$2,781
17	AR300 Robot Loader	1	\$30,797
<b>WORK HOLDING</b>			
18	Collet (Schaublin W25 80-5) - $\phi$ 3.0mm	1	\$370
19	Collet (Schaublin W25 80-5) - $\phi$ 4.0mm	1	\$370
20	Collet (Schaublin W25 80-5) - $\phi$ 5.0mm	1	\$370
21	Collet (Schaublin W25 80-5) - $\phi$ 6.0mm	1	\$370
22	Collet (Schaublin W25 80-5) - $\phi$ 7.0mm	1	\$370
23	Collet (Schaublin W25 80-5) - $\phi$ 8.0mm	1	\$370
24	Collet (Schaublin W25 80-5) - $\phi$ 10.0mm	1	\$370
25	Collet (Schaublin W25 80-5) - $\phi$ 12.0mm	1	\$370
26	Collet (Schaublin W25 80-5) - $\phi$ 14.0mm	1	\$370
27	Collet (Schaublin W25 80-5) - $\phi$ 16.0mm	1	\$370
28	Collet (Schaublin W25 80-5) - $\phi$ 20.0mm	1	\$370
29	Collet Adaptor - PremierPlus W25 - PCA (CPX)	1	\$5,600
<b>WHEEL ARBORS</b>			
30	iBalance Weight Kit - M5 (to suit $\phi$ 32mm & $\phi$ 1 1/4" Wheel Arbors)	1	\$140
31	Wheel Arbor (ASK-50F) - $\phi$ 1.25" x 14mm Length	2	\$1,218
<b>MEASUREMENT</b>			
32	EOT Probe (incl. EOT Probe software)	1	\$4,900
<b>COOLANT / FIRE / MIST SYSTEMS</b>			
33	Fire System Blanking Kit	1	\$0
<b>MISCELLANEOUS ACCESSORIES</b>			
34	USB WiFi Dongle	1	\$110
35	Keyboard Tray	1	\$600
36	External Dresser Adaptor	1	\$685
37	Setup Rig Adaptor	1	\$706
38	Wheel Pack / Coolant Manifold Setup Rig	1	\$2,000
39	Splash Guard	1	\$2,462
<b>TOOL KIT ITEMS</b>			
40	3mm Hex 1/4" Drive Bit	1	\$1
41	Socket Hex Driver 8mm Hex 3/8" Drive in L100mm	1	\$8
42	Copper Pipe 5/16", Length = 1mt	1	\$11
43	Screw Driver - Ball End 5mm	1	\$31
44	Adaptor Tool Threaded Bush PCA	1	\$40
45	Tool Box	1	\$65
46	C Spanner 80/90	1	\$135
47	Screw Driver, Torque 2Nm	1	\$150
48	Torque Wrench 20-100Nm 3/8" Drive	1	\$170
<b>SURCHARGE</b>			
49	Temporary Freight Surcharge	1	\$1,000
50	Packaging - CPX Linear	1	\$2,363

51	Incoterms – CIF Mumbai Sea Port	1	\$15,000
	PACKAGE TOTAL BEST PRICE IN AUD FOR MACHINE		\$446,483
	PACKAGE DISCOUNT		\$161,483
	PACKAGE TOTAL BEST PRICE IN AUD FOR MACHINE		\$285,000

**Notes:**

1. We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
2. All quotations received from the vendors mentioned above are valid as on the date of this Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the machineries/equipments or at the same costs.
3. The quotation relied upon by us in arriving at the above cost is valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of the said Machinery/ Equipments proposed to be acquired by us at the actual time of purchase, resulting in increase in the cost. 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.
4. No second-hand equipment and/or machinery is proposed to be purchased by our Company from the Net Proceeds.
5. Rs 690.23 lacs from the net proceeds is on the basis of exchange rate as on 22<sup>nd</sup> January 2025. This amount may vary as per the fluctuation in the exchange rate. However, if any shortfall arising due to such fluctuation, we shall use internal accruals.

**Schedule of Implementation**

Our Company proposes to deploy the entire Net Proceeds towards the purchase of machinery in the Financial Year 2025-26. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2025-26 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

Activity	Estimated Days
Placement of order	20 days from the proceed
Delivery and execution	90 days from the placement of order
Completion and operational	7 days from the date of delivery

**(2) Purchase of Software for Automation of Company's Working**

Our Company intends to allocate Rs. 57.85 lakhs from the Net Proceeds for the purchase of software that will enable end-to-end automation across all company processes and departments. After evaluating multiple software development firms, we have shortlisted M/s. Infinity Infoway Limited having GST No. 24AACCI4655A1Z1, located at P-9, NR. Vavdi Water Tank, Visvakarma Society, Mavadi Chokdi, Rajkot, Gujarat-360 004. They have provided a quotation dated January 17, 2025, outlining the detailed scope of work as follows:

**Details of Use of Software:**

Sr. No	Software Module Specification & Description	Use
1.	Sales & Marketing (Includes Sales/Marketing, Price List, Inquiry & Customer Forms, Follow-ups, Quotations, Orders, Proforma Invoices, Invoicing & Notifications)	Automates customer interactions, order processing, and communication, ensuring streamlined sales operations and real-time tracking of outstanding payments.



2.	Customer & Sales Reporting (Outstanding Reports, Sales Registers, Non-Confirmed Order Reports, Selling Price & Landing Price History, Automated Email Integration)	Provides real-time insights into sales performance, outstanding payments, and customer interactions while automating follow-ups and reminders.
3.	HR & Payroll (Employee Management, Attendance, Leave Applications, Salary Templates, Loan & Advance Tracking, Employee Training, HR Reports)	Centralizes employee records, automates payroll processing, and improves HR workflow efficiency with detailed attendance and salary reports.
4.	Production & Quality Control (CAPA Analysis, Machine-wise Planning, Material Planning, Process-wise BOM, Stock Reservation, Work Order Management, QA/QC)	Enhances production planning, quality control, and process efficiency through automation of job tracking, inventory planning, and compliance reporting.
5.	Procurement & Vendor Management (Vendor Registration, Purchase Order Management, Supplier Evaluation, Payment Terms, Purchase History)	Ensures efficient vendor selection, purchase tracking, and procurement planning, reducing costs and improving supplier relations.
6.	Store & Inventory Management (Store Categorization, Reorder Policy, Material Inward & Outward Tracking, Stock Reports)	Optimizes inventory tracking, material movement, and stock replenishment through automated monitoring and reporting.
7.	Accounts & Finance (Balance Sheet, P&L, Accounts Receivable & Payable, Customer & Vendor Ledgers, GST & E-Way Bill Integration, Payment Advice)	Automates financial reporting, taxation compliance, and transaction tracking, improving financial control and decision-making.
8.	Banking & Payment Management (Bank Account Configuration, Cheque Management, Contra Entries, Payment & Receipts Processing, Cheque Register Reports)	Streamlines banking operations, automates cheque and transaction processing, and improves financial reconciliation.

M/s Infinity Infoway Ltd has quoted total cost for software development, installation, training, customer support for Rs. 57.85 Lacs including GST as per below breakup:-

### Schedule of Implementation

Description	Total (Amount in ₹)
Implementation Cost	7,00,500/- + GST
Customizations Cost	7,00,300/- +GST
License Cost	17,01,800/- + GST
Server, Dedicated Support and Maintenance Cost	18,00,000/- + GST
Sub Total	49,02,600 + GST

Grand Total	57,85,068/- Including Tax
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**Notes:**

1. We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The actual cost of procurement and actual supplier/dealer may vary.
2. The quotation received from the vendor mentioned above is valid as on the date of this Draft Prospectus. However, we have not entered into any definitive agreements with this vendor and there can be no assurance that the same vendor would be engaged to eventually supply the ERP Software at the same costs.
3. The quotation relied upon by us in arriving at the above cost is valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of the said Software proposed to be acquired by us at the actual time of purchase, resulting in increase in the cost. 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.

Our Company proposes to deploy the entire Net Proceeds towards the purchase of Software in the Financial Year 2025-26. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2025-26 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

**(3) Funding of working capital requirements**

Our Company proposes to utilize Rs. 501.92 Lakhs of the Net Proceeds towards our Company's working capital requirements.

Our Company is engaged in manufacturing of Solid carbide cutting tool solutions which serves as raw material in the manufacturing Endmill, Drill, Reamer etc. As on July 31, 2024, our Company's net working capital consisted of ₹564.00 lakhs as against ₹548 lakhs as on March 31, 2024. We fund a majority of our working capital requirements in the ordinary course of business from banks facilities and internal accruals. Our Company requires additional working capital for funding its incremental working capital requirements and releasing the internal accruals deployed in working capital. The funding of the incremental working capital requirements will lead to a consequent increase in our profitability, ability to utilize internal accruals for growth opportunities and achieving the proposed targets as per our business plan.

Considering the growth of our Company, we will require additional working capital to fund our growth. Till now the Company is availing higher credit period from suppliers which impacted the overall margins of the business of the company however with the proposed utilisation of the IPO proceeds the Company has proposed to procure the material at cash basis/reduce credit terms which helps the Company improve its gross margin and negotiation power with the creditors.

The incremental and proposed working capital requirements and key assumptions with respect to the determination of the same based on Restated Financial Statements are mentioned below:

(₹. in Lakhs)

Sr. No.	Particulars	Actuals (Restated)				Projected	Projected
		As at March 31, 2022	As at March 31, 2023	As at March 31, 2024	As at July 31, 2024	As at March 31, 2025	As at March 31, 2026
<b>I</b>	<b>Current Assets</b>						
	Inventories	390.40	352.63	298.54	344.72	397.22	859.87
	Trade receivables	323.83	307.77	183.94	255.37	368.75	755.94
	Short term loan and advances	-	-	-	-	-	-
	Other Current Assets	380.36	386.72	369.46	304.74	506.14	956.60

2.	<b>Total Current Assets</b>	<b>1,094.59</b>	<b>1,047.12</b>	<b>851.94</b>	<b>904.83</b>	<b>1,272.11</b>	<b>2,572.41</b>
3.	<b>Current Liabilities</b>						
	Trade payables	306.53	367.07	201.88	188.62	38.75	96.82
	Other current liabilities	163.37	82.84	53.30	71.51	63.30	73.30
	Short term provision	-	-	48.39	80.80	83.68	239.14
4.	<b>Total Current Liabilities</b>	<b>469.90</b>	<b>449.91</b>	<b>303.57</b>	<b>340.93</b>	<b>185.73</b>	<b>409.25</b>
5.	<b>Total working capital Gap (I-II)</b>	<b>624.69</b>	<b>597.22</b>	<b>548.37</b>	<b>563.90</b>	<b>1,086.38</b>	<b>2,163.16</b>
6.	<b>Funding Pattern</b>						
	Short term Borrowings from bank	404.02	452.73	395.29	368.12	370.00	370.00
	Owned Funds / Internal Accruals	220.67	144.49	153.08	195.78	716.38	1,291.24
	Issue Proceeds	-	-	-	-	-	501.92

The above estimates are as per management of the Company and passed in Board Resolution of the Company dated 21 January, 2025.

#### CAPITAL REQUIREMENTS:

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for stub period ended July 31, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, as well as projections for financial year ended March 31, 2025:

(No. of days)

Particulars	March 31, 2022	March 31, 2023	March 31, 2024	July 31, 2024	March 31, 2025	March 31, 2026
Inventories	141	123	103	115	96	102
Trade Receivables	117	107	63	85	89	89
Trade Payables	342	492	365	248	33	35

#### Justification for "Holding period" levels

Current Assets	
<b>Inventories</b>	Inventories include raw materials and finished goods. The historical holding days of inventories has been 141 days, 123 days and 103 days for the financial year ended March 31, 2022, March 31, 2023 and March 31, 2024 respectively and further the same was 115 days for the stub period ended July 31, 2024. We have considered the turnover value in calculation of holding period of Inventories based on the fact that our Company is into providing Customised tools which are being manufactured in batches and after approval of drawing which vary for nearly every product size and characteristic which often carries out the need for sent the material for Job work and a major chunk of that cost is included in "Other expenses" head of Financials and thus not form part of COGS. Thus, in order to have a realistic and logical presentation of holding levels of Inventories, we have considered the Turnover in place of Cost of material Consumed. Our Company estimates inventories holding days to be 96 days for FY 2024-25 and 102 days for FY 2025-26.
<b>Trade Receivables</b>	The Debtors holding period were 117 days in Fiscal 2022 which got improved to 107 days in Fiscal 2023 and further improved to 63 days in Fiscal 2024 which shows about the Company's efficient credit management and prompt payment by the

	customers. The debtor holding period for the stub period ended July 31, 2024 is reported to be slightly high i.e. 85 days. For growth in business, revenue and profit, we need to thrive in competitive market. As our company deals with the customers PAN India wherein the fund gets deployed from day, we manufacture the product till they receive the product and a credit period after the receipt of goods by our customers. With the industry practice to provide a good credit period, our funds get deployed in the operating cycle. With the current trends in business, the holding level for debtor is expected to be 89 days for FY 2024-25 and FY 2025-26 respectively.
<b>Short Term loans &amp; Advances and Other Current Assets</b>	The key items under this head are advance to suppliers and Balance with Revenue Authorities. Based on restated financials for Financial Year 2021-22, 2022-23 and 2023-24 their holding levels were 137 days, 135 days and 127 days for the financial year ended March 31, 2022, March 31, 2023 and March 31, 2024 respectively and further the same was 102 days for the stub period ended July 31, 2024. Company estimates holding days of them to be 129 days for FY 2024-25 and 100 days for FY 2025-26.
<b>Current Liabilities</b>	
<b>Trade Payables</b>	Past trend of Trade payables holding days has been 342 days, 492 days and 365 days for the financial year ended March 31, 2022, March 31, 2023 and March 31, 2024 respectively and further the same was 248 days for the stub period ended July 31, 2024. Our Company intends to improve our relations and ensure timely supply which will require us to have ready inventory and paying the Creditors in short period of time will enable us to avail various trade discounts and better margins. Accordingly, we estimate that the Trade Payables be paid within a cycle of approximately 33 days for FY 2024-25 and 35 days for FY 2025-26.
<b>Other current liabilities and short-term provisions</b>	Statutory tax dues payable, advance from debtors, provision for tax and employee benefit expenses are included under this head. Based on restated financial for Financial Year 2021-22, 2022-23 and 2023-24 their holding levels were 59 days, 29 days and 35 days for the financial year ended March 31, 2022, March 31, 2023 and March 31, 2024 respectively and further the same was 51 days for the stub period ended July 31, 2024. Company estimates holding days of them to be 36 days for FY 2024-25 and 37 days for FY 2025-26.

#### (4) General Corporate Purposes

Our management will have the flexibility to allocate ₹[●] lakhs, amounting to [●]% of the Gross Proceeds, for general corporate purposes. These may include, but are not limited to, strategic initiatives, partnerships, joint ventures, acquisitions of entities or businesses, branding, marketing and addressing operational exigencies. Additionally, funds may be utilized for renovating and refurbishing certain company-owned or leased facilities, brand promotion activities, or any other purposes as approved by our Board, subject to compliance with the applicable provisions of the Companies Act.

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

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

#### ISSUE RELATED EXPENSES

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

Particulars	Expenses*	As % of total expenses	As % of Gross Proceeds*
Lead Manager Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Legal Advisors and other Professionals	[●]	[●]	[●]
Brokerage and selling commission payable to Registered Brokers	[●]	[●]	[●]
Others (Underwriting fees, Commission/processing fee for SCSBs, Sponsor Bank and Banker(s) to the Issue and brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs, Marketing and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	[●]	[●]	[●]

\*Exclusive of applicable taxes.

Note:-

(1) The SCSBs and other intermediaries will be entitled to a commission of Rs. [●] per every valid Application Form submitted to them and uploaded on the electronic system of the Stock Exchange by them, against which allotment is made by the Company. (2) The SCSBs would be entitled to processing fees of Rs. [●] per every valid Application Form, for processing the Application Forms procured by other intermediaries and submitted to the SCSBs, against which allotment is made by the Company. (3) Further the SCSBs and other intermediaries will be entitled to selling commission of [●] % of the Amount Allotted (product of the number of Equity Shares Allotted and the Issue Price) for the forms directly procured by them and uploaded on the electronic system of the Stock Exchange by them. (4) The payment towards commission and processing fees will be completed within 30 days from the date of receipt of final invoice from the respective entities.

### Funds Deployed and Sources of funds deployed

As on the date of this Draft Prospectus, no funds have been deployed on these objects. The entire Issue size is proposed to be deployed in the Financial Year 2025-26.

### Appraisal by Appraising Agencies

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

## **BRIDGE FINANCING FACILITIES**

As on the date of the Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of Net Proceeds.

## **INTERIM USE OF FUNDS**

Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily invest the Net Proceeds in deposits with scheduled commercial banks included in second schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the Net Proceeds of the Issue as described above, it shall not use the funds from the Net Proceeds for any investment in equity and/ or real estate products and/ or equity linked and/ or real estate linked products.

## **MONITORING OF UTILIZATION OF FUNDS**

There is no requirement for the appointment of a monitoring agency, as the Issue Size is less than Rs. 10,000 Lakhs as per Regulation 262 (1) of the SEBI ICDR Regulations. Our Board and Audit Committee will monitor the utilization of the Net Proceeds through its audit committee and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal Year subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Regulation 32 (5) of the SEBI LODR Regulations, our Company shall disclose to the Audit Committee the uses and application of the Net Proceeds. Our Company shall prepare an annual statement of funds utilized for purposes other than stated in this Draft Prospectus, certified by Statutory Auditors of the Company and place it before the Audit Committee, as required under applicable laws. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. Furthermore, in accordance with Regulation 32 (1) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the Net Proceeds from the Objects as stated above; and (ii) details of category wise variations in the utilization of the Net Proceeds from the Objects as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

## **VARIATIONS IN OBJECT**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot and any variation will be in accordance with the applicable laws including the Companies Act and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the - postal ballot notice) shall specify the prescribed details as required under the Companies Act and applicable rules. The postal ballot notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office of the Company is situated. Our Promoter or controlling Shareholders will be required to provide an 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.

## **OTHER CONFIRMATIONS**

No part of the Net Proceeds will be paid by us to the Promoter and Promoter Group, the Directors, Key Management Personnel or Group Companies, except in the normal course of business and in compliance with the applicable law. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects as set out above.

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## 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 restated financial statements under the section titled “Restated Financial Information” beginning on page 29, 127 and 187 respectively of the Draft 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 their investment.

The Issue Price will be determined by our Company in consultation with the LM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10.00 each and the Issue Price is ₹ [●] times of the face value.

### QUALITATIVE FACTORS

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Our Business” beginning on page 127 of this Draft Prospectus.

### QUANTITATIVE FACTORS

The information presented in this chapter is derived from Company’s Restated Financial Statements as at and for the Period ended July 31, 2024 and for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022, has been prepared in accordance with Indian GAAP and in terms of the requirements of the Companies Act, SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by ICAI as amended from time to time. For more details on financial information, investors please refer the chapter titled “Restated Financial Statements” beginning on page 187 of this Draft Prospectus. Investors should evaluate our Company taking into consideration its niche business segment and other qualitative factors in addition to the quantitative factors

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

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

Sr. No.	Period	Basic & Diluted EPS (₹)	Weights
1.	Period ending July 31, 2024*	2.33	
2.	Financial Year ending March 31, 2024	3.94	3
3.	Financial Year ending March 31, 2023	(0.20)	2
4.	Financial Year ending March 31, 2022	(0.49)	1
	<b>Weighted Average</b>	<b>1.82</b>	<b>6</b>

\*Figures for the period is not annualised

Notes:

- The figures disclosed above are based on the restated financial statements of the Company.
- The face value of each Equity Share is ₹10.00.
- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
- Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.



- vi. *Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders /Weighted average number of equity shares outstanding during the year/ period*
- vii. *Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders /Weighted average number of diluted potential equity shares outstanding during the year/ period.*

**2. Price Earning (P/E) Ratio in relation to the Fixed Issue price of ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up:**

Sr. No	Particulars	P/E (number of times)
1.	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2023-24	[●]
2.	P/E ratio based on the Weighted Average EPS, as restated	[●]

*Note: The P/E ratio has been computed by dividing Issue Price with EPS.*

**3. Industry P/E ratio**

Sr No	Particulars*	(P/E) Ratio
1	<b>Highest</b>	[●]
2	<b>Lowest</b>	[●]
3	<b>Average</b>	23.20

*\* For the purpose of industry, we have considered the company which is engaged in the similar line of business segment as of our Company, however, the said company may not be exactly comparable in terms of product portfolio or the size of our Company. The peer has been included for the purpose of broad comparison.*

*Note:*

- i) *The P/E ratio of our Company will be computed by dividing Issue Price with EPS.*
- ii) *P/E Ratio of the peer company is based on the consolidated audited results for the F.Y. 2023-24 and stock exchange data dated August 09, 2024.*

**4. Return on Net worth (RoNW)**

Sr. No	Period	RONW (%)	Weights
1	<b>Period ending July 31, 2024</b>	<b>20.55%*</b>	
2	Financial Year ending March 31, 2024	43.80%	3
3	Financial Year ending March 31, 2023	-3.92%	2
4	Financial Year ending March 31, 2022	-9.29%	1
	<b>Weighted Average</b>	<b>19.54%</b>	<b>6</b>

*\*Figures for the period is not annualised*

*Notes:*

- i. *The RoNW has been computed by dividing restated net profit after tax with restated Net worth as at the end of the year/period*
- ii. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNWx Weight) for each year/Total of weights.*

**5. Net Asset Value (NAV) per Equity Share:**

Sr. No	Period	RONW (%)
1	Period ending July 31, 2024	22.63
2	Financial Year ending March 31, 2024	17.98
3	Financial Year ending March 31, 2023	10.11
4	Financial Year ending March 31, 2022	10.51
	Issue Price	[●]
	NAV per Equity after the Issue:	

*Notes:*

- NAV per share=Restated Net worth at the end of the year/period divided by total number of equity shares outstanding at the end of the year. (Based on weighted average number of shares)
- Net worth 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.
- Issue Price per Equity Share will be determined by our Company in consultation with the Lead Manager.

## 6. Comparison of Accounting Ratios with Industry Peers

Name of the company	Current market price (₹)	Face value (₹)	EPS (Basic & Diluted)	PE	RONW (%)	NAV Per share (₹)	Total income (₹ In lakhs)
Shining Tools Limited	[●]	10	3.90	[●]	44.04%	17.72	1060.42
<b>Peer Group*</b>							
Birla Precision Technologies Limited	53.10	10	1.62	32.77	6.96%	23.20	22,778.26

*Notes:*

- All the financial information for our Company above is sourced from the Restated Financial Statements.
- Considering the nature and size of business of the Company, the peer is not strictly comparable. However same have been included for broad comparison.

\*Source: All the financial information for listed peer Company mentioned above is taken as on March 31, 2024 (Audited result on consolidated basis) available on the website of NSE dated January 30, 2025 to compute the corresponding financial ratios.

- P/E ratios for the above peer company is based on closing market prices of equity shares on NSE dated January 30, 2025 divided by the Basic and Diluted EPS as at March 31, 2024
- Basic and Diluted EPS refers to the Basic and Diluted EPS sourced from the available financial data as on March 31, 2024 of the listed peer company.
- Return on Net Worth (%) for listed peer company has been computed based on the Net Profit After Tax for the year ended March 31, 2024 divided by Total Equity as on March 31, 2024.
- NAV per share for listed peer company is computed as the networth as on March 31, 2024 divided by the outstanding number of equity shares as on March 31, 2024.

- The face value of Equity Shares of our Company is Rs. 10/- per Equity Share and the Issue price is [●] determined by our Company in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled “Risk Factors” and chapters titled “Our Business” and “Restated Financial Information” beginning on page nos. 29, 127 and 187 respectively of this Draft Prospectus.

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

The KPIs disclosed below have been used historically by our Company to understand and analyze the business

performance, which in result, help us in analyzing the growth of our company. The KPIs disclosed below have been approved by a resolution in the Board Meeting dated January 21, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Draft Prospectus. Further, the KPIs herein have been certified by V S S B & Associates, Chartered Accountants, by their certificate dated January 03, 2025.

The KPIs of our Company have been disclosed in the sections titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 127 and 233, respectively. We have described and defined the KPIs as applicable in “*Definitions and Abbreviations*” beginning on page 8. Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the “*Objects of the Issue*”, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

**a. Key Performance Indicators of our Company.**

*(₹ in Lakhs except percentages and ratios)*

Key Financial Performance	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations <sup>(1)</sup>	358.56	1,052.95	1,032.15	1,007.05
EBITDA <sup>(2)</sup>	192.52	414.84	188.60	185.06
EBITDA Margin <sup>(3)</sup>	53.69%	39.39%	18.27%	18.38%
PAT <sup>(4)</sup>	93.01	157.53	-7.92	-19.52
PAT Margin <sup>(5)</sup>	25.94%	14.96%	-0.76%	-1.92%
EBIT	150.30	296.59	95.43	81.10
RoE(%) <sup>(6)</sup>	20.55%	43.80%	-3.92%	-9.29%
RoCE (%) <sup>(7)</sup>	11.32%	8.57%	25.85%	6.45%

KPI disclosed above is certified by M/s V S S B & Associates, Chartered Accountants the statutory auditors of our Company pursuant to their certificate dated January 03, 2025, UDIN No: 25109944BMGPFC4876.

Notes:

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements
- (2) EBITDA is calculated as Profit before tax + Depreciation + Amortization+ Interest Expenses - Other Income
- (3) ‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations
- (4) ‘PAT’ is calculated as Profit after tax for the period.
- (5) ‘PAT Margin’ is calculated as PAT for the period/year divided by revenue from operations.
- (6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
- (7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders’ equity plus total debt

**Explanation for KPI metrics:**

Key Financial Performance	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business

PAT	Profit after tax provides information regarding the overall profitability of the business
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

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

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

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

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Shining Tools Limited (Issuer company)			[•] (Peer Company) *		
	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations (1)	1,052.95	1,032.15	1,007.05	22577.18	25336.53	24627.05
EBITDA (2)	414.84	188.60	185.06	2797.79	2858.24	2066.85
EBITDA Margin (3)	39.39%	18.27%	18.38%	12.39%	11.28%	8.39%
PAT (4)	157.53	-7.92	-19.52	1066.14	1528.32	1166.35
PAT Margin (5)	14.96%	-0.76%	-1.92%	4.72%	6.03%	4.73%
EBIT	296.59	95.43	81.10	2148.77	2396.23	1658.74
RoE (%) (6)	43.80%	-3.92%	-9.29%	6.95%	10.86%	9.86%
RoCE (%) (7)	8.57%	25.85%	6.45%	10.91%	14.24%	11.64%
Capital Employed (7)	1113.51	1147.56	1256.77	19686.3	16817.2	14240.07

\*Sources of Peer Company: Financial Figures (Consolidated) are taken from the Annual Report for the financial year ended March 31, 2022, March 31, 2023 and Audited financial results for the financial year ended March 31, 2024, uploaded and available on the website of NSE.

**Notes:**

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Amortization + Interest Expenses - Other Income
- (3) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- (4) 'PAT' is calculated as Profit after tax for the period.
- (5) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.
- (6) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
- (7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholder's equity plus non-current liabilities {Including current maturities}.
- (8) Debt includes long term debt including current maturities.

# Figures do not include current maturities.

## Figures include interest and other finance cost while calculating EBIT/EBITDA

**10. Weighted average cost of acquisition**

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

There has been no issuance of the Equity Shares other than Equity Shares issued pursuant to a bonus issue on March 09, 2024, during the 18 months preceding the date of this Draft Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuance").

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

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of shares), during the 18 months preceding the date of this Draft Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

- c. **Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter/ Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this Draft Prospectus irrespective of the size of transactions, is as below**

Date of Allotment	No. of equity shares allotted	Face Value (₹)	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (₹)
<b>Primary Transactions</b>						
September 19, 2024	20,00,000	10	Nil	Bonus Issue	NA	Nil
October 03, 2024	1,58,400	10	107	Private Placement	Cash	1,69,48,800
<b>Weighted average cost of acquisition (WACA)</b>						<b>Nil</b>
<b>Secondary Transactions:</b>						
<b>NIL</b>						

- d. **Weighted average cost of acquisition on issue price**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares) #	Issue price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 10(a) above.	NA	NA
Weighted average cost of acquisition of secondary sale/ acquisition as per paragraph 10(b) above.	NA	NA
Weighted average cost of acquisition of primary / new issue as per paragraph 10(c) above.	Nil	NA
Weighted average cost of acquisition of secondary sale/ acquisition as per paragraph 10(c) above.	Nil	NA

NA = Not Applicable

- e. **Explanation for Issue Price being [●] times of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares along with our Company's key performance indicators and financial ratios for period ended July 31, 2024 and the Financial Years 2024, 2023 and 2022**

Not applicable as other than bonus issue and Share issued through Private Placement, there is neither any primary issuance nor secondary transaction of Equity Shares.

**f. Explanation to the Issue Price being [●] times of weighted average cost of acquisition of Primary issuance price/ Secondary transaction price in view of external factors which may have influenced the Offer Price, if any**

Not applicable as other than bonus issue and Share issued through Private Placement, there is neither any primary issuance or secondary transaction of Equity Shares. We believe that there are no such external factors which may have influenced the Offer Price.

**g. The face value of our share is ₹10 per share and the Issue Price is of ₹[●] per Share are [●] times of the face value.**

The Issue Price of ₹ [●] will be determined by our Company in consultation with the LM and will be justified by us in consultation with the LM on the basis of the above information. Investors should read the abovementioned information along with “Our Business”, “Risk Factors” and “Restated Financial Statements” beginning on pages 127, 29 and 187 respectively of this Draft Prospectus to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “Risk Factors” or any other factors that may arise in the future and you may lose all or part of your investments.

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## STATEMENT OF POSSIBLE TAX BENEFITS

**To,**  
**The Board of Directors**  
Shining Tools Limited  
Survey No.63/2, Plot No.2,  
On Rajkot-Gondal Highway,  
At. Pipaliya, Tal. :Gondal, Dist. :Rajkot  
Gujarat-360311, India

Dear Sirs,

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

We hereby report that the accompanying Statement states the possible special tax benefits available to the Company and shareholders of the Company (hereinafter referred to as “**the Statement**”) under the Income Tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2021 presently in force in India (together referred to as the “**Direct Tax Laws**”), the Goods and Service Tax laws & Customs Act, 1962 (read with rules, circulars, notifications) presently in force in India (together referred to as the “**Indirect Tax Laws**”).

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

The benefits discussed in the enclosed Statement are not exhaustive and only cover the possible special direct and indirect tax benefits available to the Company and the Company’s shareholders. The Statement is neither designed nor intended to be a substitute for professional tax advice and each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares of the Company.

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

- a) the Company or its shareholders will continue to obtain these possible special tax benefits in future;  
or
  - b) the conditions prescribed for availing the possible special tax benefits, where applicable, have been/would be met with; and
-

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

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

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

We hereby give consent to include this Statement in the Draft Prospectus and the Prospectus in connection with the proposed Initial Public Offering by the Company.

Yours faithfully,  
**For V S S B & Associates,**  
Chartered Accountants  
FRN.:121356W

SD/-

Vishves A Shah  
**Partner**  
Membership No.: 109944  
UDIN: 25109944BMGPEW2447

Place: Ahmedabad  
Date: 03/01/2025

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## SECTION VII – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

The information in this section includes extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we, the Lead Manager nor any of our or their respective affiliates or advisors nor any other person connected with Issue have verified this information. The data may have been re-classified by us for the purposes of presentation. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect.

*Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Prospectus, including the information in the sections "Risk Factors" and "Restated Financial Statements" beginning on page 29 and 187 respectively of the Draft Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 29 of the Draft Prospectus. Accordingly, investment decisions should not be based on such information.*

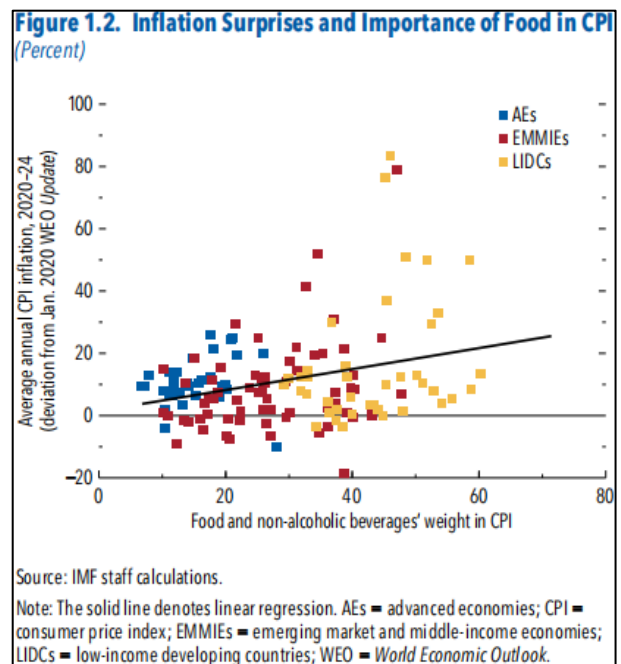
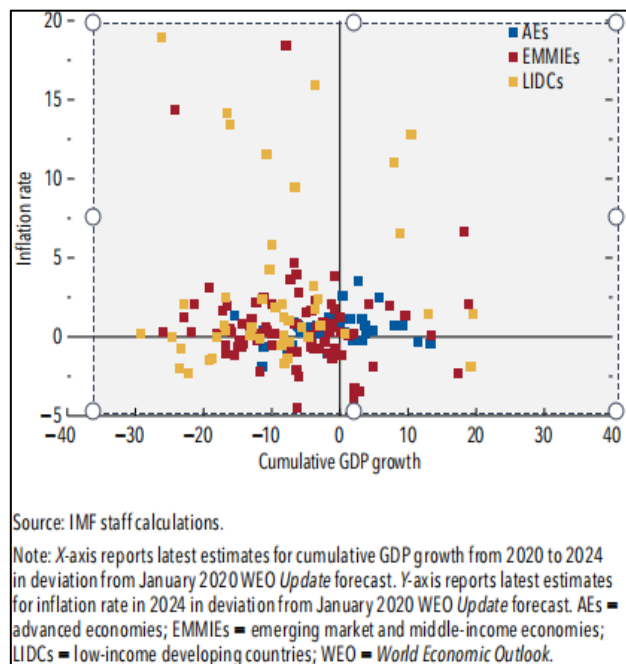
### GLOBAL ECONOMY

Global growth is expected to remain stable yet underwhelming. At 3.2 percent in 2024 and 2025, the growth projection is virtually unchanged from those made in both the July 2024 World Economic Outlook Update and the April 2024 World Economic Outlook forecast. However, notable revisions have taken place beneath the surface since April 2024, with upgrades to the forecast for the United States offsetting downgrades to those for other advanced economies—in particular, the largest European countries. Likewise, in emerging market and developing economies, disruptions to production and shipping of commodities—especially oil—conflicts, civil unrest, and extreme weather events have led to downward revisions to the outlook for the Middle East and Central Asia and that for sub-Saharan Africa. These have been compensated for by upgrades to the forecast for emerging Asia, where surging demand for semiconductors and electronics, driven by significant investments in artificial intelligence, has bolstered growth. The latest forecast for global growth five years from now—at 3.1 percent—remains mediocre compared with the pre-pandemic average. Persistent structural headwinds—such as population aging and weak productivity—are holding back potential growth in many economies. Cyclical imbalances have eased since the beginning of the year, leading to a better alignment of economic activity with potential output in major economies. This adjustment is bringing inflation rates across countries closer together and on balance has contributed to lower global inflation. Global headline inflation is expected to fall from an annual average of 6.7 percent in 2023 to 5.8 percent in 2024 and 4.3 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. As global disinflation continues to progress, broadly in line with the baseline, bumps on the road to price stability are still possible. Goods prices have stabilized, but services price inflation remains elevated in many regions, pointing to the importance of understanding sectoral dynamics and of calibrating monetary policy accordingly. Risks to the global outlook are tilted to the downside amid elevated policy uncertainty. Sudden eruptions in financial market volatility—as experienced in early August—could tighten financial conditions and weigh on investment and growth, especially in developing economies in which large near-term external financing needs may trigger capital outflows and debt distress. Further disruptions to the disinflation process, potentially triggered by new spikes in commodity prices amid persistent geopolitical tensions, could prevent central banks from easing monetary policy, which would pose significant challenges to fiscal policy and financial stability. Deeper- or longer-than-expected contraction in China's property sector, especially if it leads to financial instability, could weaken consumer sentiment and generate negative global spillovers given China's large footprint in global trade. An intensification of protectionist policies would exacerbate trade tensions, reduce market efficiency, and further disrupt supply chains. Rising social tensions could prompt social unrest, hurting consumer and investor confidence and potentially delaying the passage and implementation of necessary structural reforms. As cyclical imbalances in the global economy wane, near-term policy priorities should be carefully calibrated to ensure a smooth landing. In many countries, shifting gears on fiscal policy is urgently needed to ensure that public debt is on a sustainable path and to rebuild fiscal buffers; the pace of adjustment should be tailored to country-specific circumstances. Structural reforms are necessary to lift medium-term growth prospects, but support for the most vulnerable should be maintained. Multilateral cooperation is needed more than ever to accelerate the green transition and to support debt-restructuring efforts. Mitigating the risks of geoeconomic fragmentation and

strengthening rules-based multilateral frameworks are essential to ensure that all economies can reap the benefits of future growth.

The past four years have put the resilience of the global economy to the test. A once-in-a-century pandemic, eruption of geopolitical conflicts, and extreme weather events have disrupted supply chains, caused energy and food crises, and prompted governments to take unprecedented actions to protect lives and livelihoods. The global economy has demonstrated resilience overall, but this masks uneven performance across regions and lingering fragilities. The negative supply shocks to the global economy since 2020 have had lasting effects on output and inflation, with varied impacts across individual countries and country groups. The sharpest contrasts are between advanced and developing economies. Whereas the former have caught up with activity and inflation projected before the pandemic, the latter are showing more permanent scars, with large output shortfalls and persistent inflation (Figure 1.1). They also remain more vulnerable to the types of commodity price surges that followed Russia’s invasion of Ukraine (Figure 1.2).

Figure 1.1. Growth and Inflation Revisions



Since the beginning of the year, signs have emerged that cyclical imbalances are being gradually resorbed, with economic activity in major economies better aligned with their potential. These developments may have helped bring inflation rates across countries closer together, but the momentum in global disinflation appears to have slowed in the first half of the year. Goods prices have stabilized, and some are declining, but services price inflation remains high in many countries, partly reflecting rapid wage increases, as pay is still catching up with the inflation surge of 2021–22. This has forced some central banks to delay their policy-easing plans, putting public finances under more pressure, especially in countries where debt-servicing costs are already high and refinancing needs significant. Now, as before, the global outlook will be shaped largely by fiscal and monetary choices, their international spillovers, the intensity of geoeconomic fragmentation forces, and the ability of governments to implement long-overdue structural reforms. With inflation approaching central bank targets and governments striving to manage debt dynamics, the policy mix is expected to shift from monetary to fiscal tightening as monetary policy rates are brought down, closer to their natural levels. How fast such rotations occur in individual countries will have consequences for capital flows and exchange rates. The level of uncertainty surrounding the outlook is high. Newly elected governments could introduce significant shifts in trade and fiscal policy. Moreover, the return of financial market volatility over the summer has stirred old fears about hidden vulnerabilities. This has heightened anxiety over the appropriate monetary policy stance—especially in countries where inflation is persistent and signs of slowdown are emerging. Further intensification of geopolitical rifts could weigh on trade, investment, and the free flow of ideas. This could affect long-term growth, threaten the resilience of supply chains, and create difficult trade-offs for central banks. On the upside, governments could succeed in building the necessary consensus around overdue and difficult-to-pass structural reforms, which would boost growth and enhance fiscal sustainability and financial stability.

In many advanced economies, disinflation has come at a relatively low cost to employment, thanks partly to offsetting supply developments. These included a faster-than-expected decline in energy prices and a surprising rebound in labor supply, bolstered by substantial immigration flows that helped cool labor markets. Since the beginning of 2024, signs

that cyclical imbalances are being gradually resorbed have helped bring inflation rates across countries closer together). Disinflation has continued broadly as expected but did show signs of slowing in the first half of the year, suggesting potential bumps on the road to price stability. The persistence in core inflation has been driven primarily by services price inflation. At 4.2 percent, core services price inflation is about 50 percent higher than before the pandemic in major advanced and emerging market economies (excluding the US). This contrasts with core goods price inflation, which has declined all the way to zero. Recent increases in shipping rates, especially for routes to and from China, have put upward pressure on goods prices. However, this source of upward pressure has been mitigated so far by declining prices for exports from China (. Stubbornness in services price inflation partly reflects higher nominal wage growth relative to pre- pandemic trends. Even as labor market pressure has started to ease, wage negotiators have continued to aim for sizable raises to counter the cost-of-living squeeze felt after the 2021–22 inflation surge. That nominal wage growth continues to run higher after the inflation surge is consistent with past inflationary episodes-when real wages catch up to their equilibrium level determined by labor productivity-and does not necessarily risk a wage-price spiral. With output gaps expected to close, and assuming no disruptions to labor supply in advanced economies, wage growth is expected to moderate. Whether recent increases translate into further persistence in core inflation will depend on (1) the impact of recent real wage increases on unit labor costs, which itself depends on labor productivity, and (2) the willingness of firms to absorb increased unit labor costs in their profit margins. These two factors seem to be working differently in the largest two advanced economies but should still allow disinflation to continue. In the United States, wage growth has reflected productivity gains lately, keeping unit labor costs contained. In the euro area, recent wage increases have exceeded productivity, raising unit labor costs. However, European firms should be able to absorb those costs, given large increases in profit shares in recent years.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024> )

## OVERVIEW OF INDIAN ECONOMY

### INTRODUCTION

India is a 5<sup>th</sup> largest economy in the world by nominal GDP at US\$ 3.94 trillion. Economy grew by 8.2% in FY24 and logged 5.4% growth rate in Q2 FY25 while the GDP growth rate for FY25 is expected to be around 7% – 7.2%, which is still among the highest in the world. India's economy is a mix of traditional and modern agriculture, technology services, the handicraft industry, and business outsourcing. The services sector is the largest and fastest-growing, contributing over 60% of GDP. Agriculture contributes around 12% of GDP but employs over 50% of the workforce. Manufacturing accounts for 15% of GDP. With stable government at the center, favourable demographic, various policy reforms like GST and labour laws, various growth policies like “Make in India”, PLI, FAME, etc India is expected to grow and reach US\$ 8 trillion economy in next decade.

Growth is likely to pick up, driven by increasing consumer spending, especially in rural India, as inflation subsides, and agricultural output improves after favorable monsoon conditions. A tempered global growth outlook and a delayed synchronized recovery in Western economies-compared to what was previously expected-will likely weigh on India's exports and outlook for the next fiscal year. At the same time, India may benefit from higher capital inflows, translating into long-term investment and job opportunities as multinational companies around the world look to reduce operational costs further. There are some green shoots in labor market trends-with a rise in the share of salaried positions and services subsectors demanding higher qualifications, including business and professional services in the areas of technology and finance. Female participation in the labor force has also increased, particularly in rural areas. However, a heavy reliance on agricultural jobs continues, and informal employment remains prevalent. The government's focus on boosting manufacturing and improving youth employability, coupled with India's young and aspirational population, presents a unique opportunity for economic growth. As the country advances toward becoming a US\$5 trillion economy, expanding manufacturing and emerging industries and transitioning toward clean-energy alternatives will likely create high-quality, formal, and green jobs. This will help many Indian states that are aspiring to grow rapidly, as they are already investing in these areas to tap into India's demographic advantage.

Employment under the MGNREGA scheme has been coming down sharply, which points to the existence of steadier jobs elsewhere

Employment demanded by persons

Numbers in thousands  
12 month-moving average



Note: 12-month moving average data being plotted to remove the seasonal effect and understand the underlying trend.

Source: Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), accessed Oct. 1, 2024.

(Source: <https://www2.deloitte.com/in/en/pages/about-deloitte/articles/india-economic-outlook-october-2024.html> )

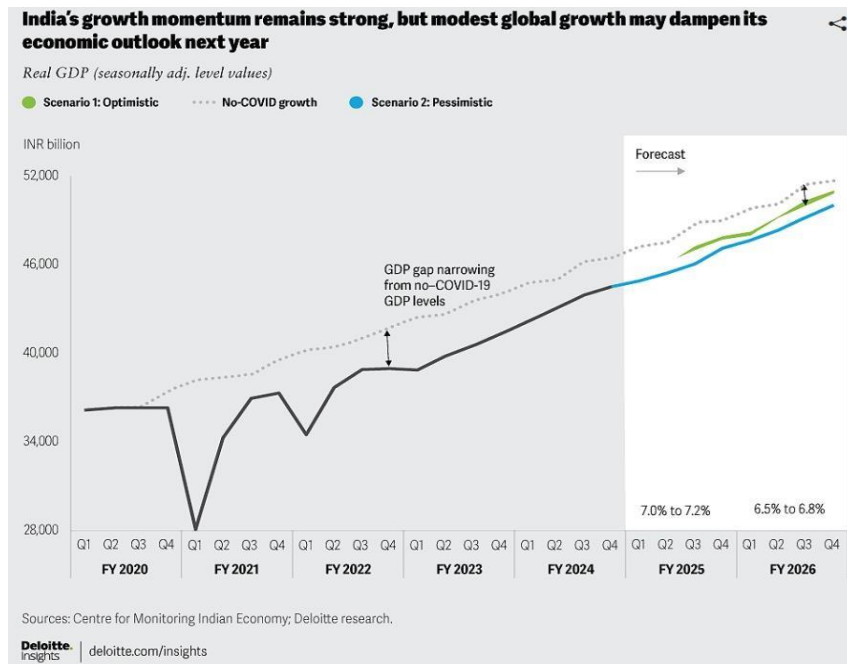
## 1. India's near-term outlook

Five factors will drive growth in the upcoming quarters.

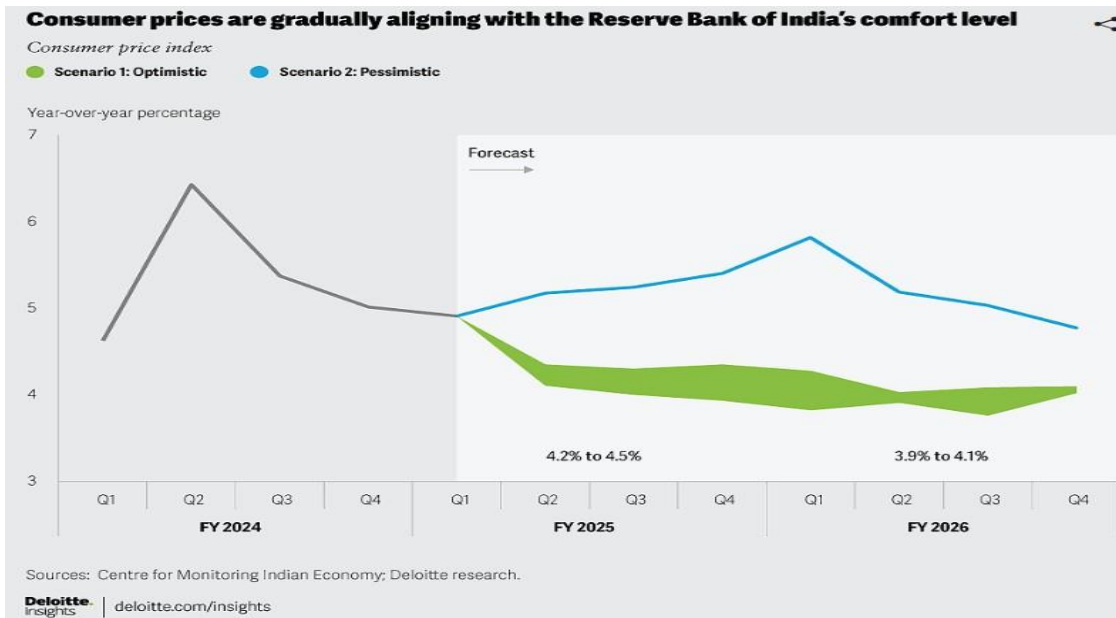
- Rural consumption spending is rebounding due to moderating inflation, specifically in food. Besides, better rainfall (over June to September, precipitation in the country as a whole was 109% of its long-period average in 2020, and it has been the third highest since 1994) and all-time high production and stock of kharif crops<sup>8</sup> (such as rice and paddy sown during the monsoon season from June to August) point to robust agricultural output this year, thereby further pushing rural demand.<sup>9</sup> This will likely factor into spending during festive months and beyond.
- The government's reduced capital expenditures during the election will likely be made up for in the latter half of the year, thereby boosting the overall economy.
- Manufacturing sector capacity utilization is at an all-time high of 76.4%, which suggests that private investments in the sector will pick up. Higher capex will also crowd in investments.
- Oil prices are expected to remain modest and range-bound, which will help reduce import bills and, therefore, the current account deficit. Besides, low oil prices will also reduce the cost of imported intermediate goods and raw materials, bringing down production costs.
- Last but not least, as US elections conclude in November and the Federal Reserve looks to ease monetary policy further by the end of the year, higher liquidity, policy stability, and a modest growth outlook in the United States could incentivize global investors and multinational corporations to invest outside the United States. India will likely benefit from these trends and see higher capital inflows translate into long-term investment and job opportunities.

Indian economy is expected to grow between 7% and 7.2% in fiscal 2024 to 2025, followed by between 6.5% and 6.8% in fiscal 2025 to 2026 (admittedly, slightly lower than previously estimated) (figure 1). India's slightly slower growth in the subsequent year will likely be tied to broader global trends, including sluggish growth and a delayed synchronous recovery in the West, as anticipated

earlier. Slowing global trade and supply chain disruptions due to intensifying geopolitical uncertainties will also affect demand for exports. Despite these challenges, we will continue to see the difference between actual GDP and no-COVID-19 levels progressively narrowing as growth picks up pace.



Inflation concerns are fading as expected, with better rainfall and proactive government interventions improving the food supply chain. Inflation may ease further in the latter half of the year. However, stronger growth may also pressure inflation as demand outpaces supply. We expect inflation to slowly revert to the Reserve Bank of India's target level of 4% from early next year and remain within its comfort zone over the forecast period.



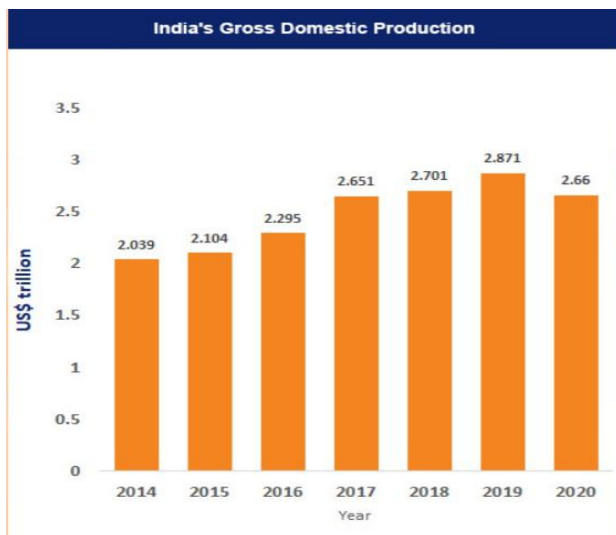
Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices for Q1 2024-25 is estimated at Rs. 77.31 lakh crores (US\$ 928.9 billion) with growth rate of 9.7%, compared to the growth of 8.5% for Q1 2023-24. The growth in nominal GDP during 2023-24 is estimated at 9.6% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the second half of FY24. During the period April-September 2025, India's exports stood at US\$ 211.46 billion, with Engineering Goods (26.57%), Petroleum Products (16.51%) and electronic goods (7.39%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

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

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

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

Real GDP or GDP at Constant (2011-12) Prices for the period Q1 2024-25 is estimated at Rs. 43.64 lakh crore (US\$ 524 billion), against the First Revised Estimates (FRE) of GDP for the year Q1 2023-24 of Rs. 40.91 lakh crore (US\$ 491 million). The growth in real GDP during 2023-24 is estimated at 8.2% as compared to 7.0% in 2022-23. There are 113 unicorn startups in India, with a combined valuation of over US\$ 350 billion. As many as 14 tech startups are expected to list in 2024 Fintech sector poised to generate the largest number of future unicorns in India. With India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.



According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time periods. India's current account deficit (CAD) narrowed to 0.7% of GDP in FY24. The CAD stood at US\$ 9.7 billion for the Q1 2024-25 from US\$ 8.9 billion in Q1 2023-24 or 1.1% of GDP. This was largely due to decrease in merchandise trade deficit.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may

waver as several of India's trade partners witness an economic slowdown. According to Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles Mr. Piyush Goyal, Indian exports are expected to reach US\$ 1 trillion by 2030.

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

## 1. Some key economic pointers:

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

- According to HSBC Flash India PMI report, business activity surged in April to its highest level in about 14 years as well as sustained robust demand. The composite index reached 62.2, indicating continuous expansion since August 2021, alongside positive job growth and decreased input inflation, affirming India's status as the fastest-growing major economy.
- As of October 11, 2024, India's foreign exchange reserves stood at US\$ 690.43 billion.
- In 1H 2024, India saw a total of US\$ 31.5 billion in PE-VC investments.
- India secured 39th position out of 133 economies in the Global Innovation Index 2024. India rose from 81st position in 2015 to 39th position in 2024. India ranks 3rd position in the global number of scientific publications.
- In September 2024, the gross Goods and Services Tax (GST) stood at highest monthly revenue collection at Rs. 1.73 lakh crore (US\$ 20.83 billion).
- Between April 2000–June 2024, cumulative FDI equity inflows to India stood at US\$ 1,013.45 billion.
- In August 2024, the overall IIP (Index of Industrial Production) stood at 145.6. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 125.1, 147.1 and 219.3, respectively.

- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.49% (Provisional) for September 2024.
- Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crores (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crores (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested (US\$ 13.89 billion) in India during January- (up to 15th July) 2024.
- The wheat procurement during Rabi Marketing Season (RMS) 2024-25 (till May) was estimated to be 266 lakhs metric tonnes (LMT) and the rice procured in Kharif Marketing Season (KMS) 2024-25 was 400 LMT.

## 1. Some Key Government initiatives:

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programmes that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programmes, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, is aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- In July 2024, the Ministry of Finance held the Union Budget and announced that for 2024-25, the total receipts other than borrowings and the total expenditure are estimated at Rs. 32.07 lakh crore (US\$ 383.93 billion) and Rs. 48.21 lakh crore (US\$ 577.16 billion), respectively.
- In February 2024, the Finance Ministry announced the total expenditure in Interim 2024-25 estimated at Rs. 47,65,768 crores (US\$ 571.64 billion) of which total capital expenditure is Rs. 11,11,111 crores (US\$ 133.27 billion).
- On January 22, 2024, Prime Minister Mr. Narendra Modi announced the 'Pradhan Mantri Suryodaya Yojana'. Under this scheme, 1 crore households will receive rooftop solar installations.
- On September 17, 2023, Prime Minister Mr. Narendra Modi launched the Central Sector Scheme PM-VISHWAKARMA in New Delhi. The new scheme aims to provide recognition and comprehensive support to traditional artisans & craftsmen who work with their hands and basic tools. This initiative is designed to enhance the quality, scale, and reach of their products, as well as to integrate them with MSME value chains.
- On August 6, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.
- On June 28, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.
- From April 1, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'Aatmanirbhar Bharat' and 'Local goes Global'.
- To enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.
- Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crores (US\$ 182.35 million).
- Prime Minister Mr Narendra Modi has inaugurated a new food security scheme for providing free food grains to Antyodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY) from January 1, 2023.
- The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29, 2022, by the Ministry of Railways.
- On October 7, 2022, the Department for Promotion of Industry, and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups, facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).

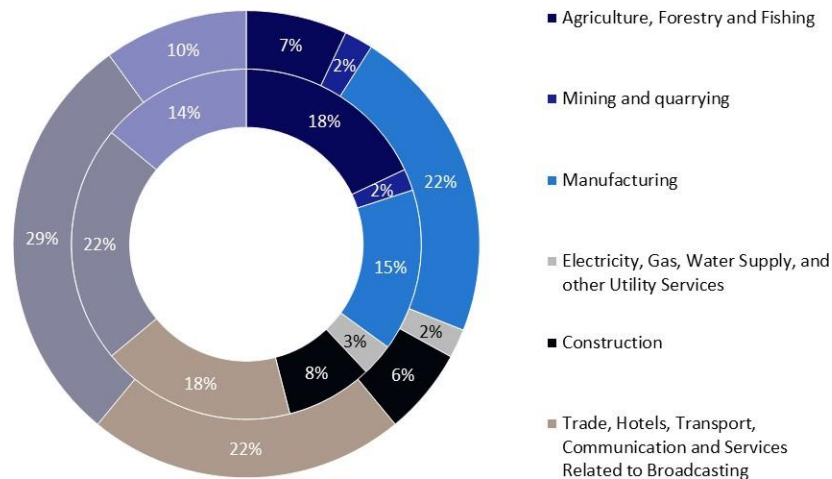
## OVERVIEW ON INDIAN MANUFACTURING SECTOR

Manufacturing plays a very important role in the overall GDP contribution of India and its share of contribution to



Real GDP is expected to increase from 15% in 2022 to 22% in 2030. The ‘Make in India’ program aims at increasing manufacturing sector contribution across 25 sectors, including aerospace and defence amongst others. Additionally, major companies like Foxconn, Oppo, ZTE, Phicomm, Mercedes Benz, BMW, Volvo, Ford, and others have invested in India, setting up manufacturing facilities and R&D centres.

### Real GDP Growth in Manufacturing related to other sectors, 2023–2030F (%)



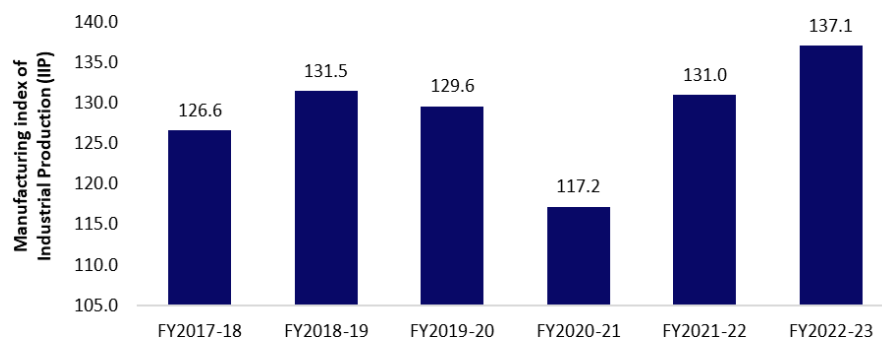
Source: Reserve Bank of India (RBI) Database

In 2019, manufacturing experienced a growth rate of 5.4% in its contribution to GVA due to steady expansion of industrial activities and a favourable economic environment. In 2020, manufacturing sector contracted by 3.0% due to COVID related disruptions -across global supply chains, factory closures, labour shortages, and a sharp decline in consumer demand. In 2021 there was a recovery in manufacturing's contribution to GVA, recording a growth rate of 2.9% and a significant resurgence in manufacturing in 2022, with its growth in contribution to GVA soaring by 11.1%. However, the momentum faltered in 2023, with a deceleration of 0.6% in its contribution to GVA-due to global economic uncertainties, geopolitical tensions, and inflationary pressures.

### Trends in manufacturing Index of Industrial Production (IIP)

The trends in the manufacturing index of Industrial Production (IIP) offer a comprehensive insight into the performance and trajectory of the manufacturing sector over the fiscal years spanning from 2017-18 to 2022-23.

### Manufacturing Index of Industrial Production, FY2018- FY2023



Source: <https://esankhyiki.mospi.gov.in/catalogue?page=0&product=IIP&search= | Base 2011-12 - 100>

In the fiscal year 2017-18, the manufacturing index stood at 126.6, indicating a baseline level of industrial activity and output and serving as a benchmark for subsequent years' performance, providing a reference point for analyzing trends and fluctuations in manufacturing production. The manufacturing index increased to 131.50 in fiscal year 2018-19 driven by factors such as increased domestic demand, improved business sentiment, and favourable macroeconomic conditions. However, the fiscal year 2019-20 witnessed a slight decline in the manufacturing index reaching 129.60 due to a combination of domestic and external factors, including subdued investment sentiment, trade tensions, and economic slowdowns in key export markets. The fiscal year 2020-21 marked a significant downturn in the manufacturing index, plummeting to 117.20 spurred by the disruptions caused by the COVID-19 pandemic. As economies gradually reopened and recovery efforts gained traction, the fiscal

year 2021-22 witnessed a notable rebound in the manufacturing index and it reached 131.00. This resurgence reflected the initial stages of economic recovery, as pent-up demand, government stimulus measures, and resumption of industrial activities fueled manufacturing output. The rebound in the index signaled a positive turnaround for the manufacturing sector.

### **Factors driving growth in the manufacturing in India**

- **China+1 Policy**

China has emerged into a global manufacturing hub, with facilities from technology companies to heavy engineering companies and textile manufacturers. Most of the Global manufacturing companies have their manufacturing based in China due to the low-cost labour. Aircraft manufacturers like Airbus and Boeing also have their facilities in China.

Geopolitical tensions and trade related differences made overdependency on Chinese manufacturing a risk for US, who are now making concerted efforts to de-risk their manufacturing supply chain to countries like India. The China+1 strategy was designed to ensure the security of the supply chain of key products by reducing the dependency on China.

The US sourcing in industries like textiles have reduced from 36% in 2015 to around 20% in 2021. Other segments where companies have started considering sourcing outside China include Electronics, Cosmetics and IT. Majority of this have been shifted to countries like Vietnam where the share of their sourcing has increased from 12% to 20% during the above-mentioned period. Other industries have also shifted sourcing away from China. The key advantages of China plus one policy for the investing countries is access to new markets, competitive costing and risk diversification away from China. Other robust developing economies like Vietnam, Bangladesh, India, Mexico and Brazil have benefitted from the China plus one policy. High tech companies like Foxconn and Apple have already set up their manufacturing facilities in India.

- **Make in India**

At its core, Make in India aims to revolutionize India's manufacturing landscape by targeted policy interventions, infrastructure development, and skill enhancement initiatives to empower domestic manufacturers, enhance competitiveness, and integrate India into global value chains. This is done by following measures:

- Targeted policy interventions like streamlining regulatory frameworks, simplifying procedures, and dismantling bureaucratic barriers to create a business-friendly ecosystem.
- Infrastructure development for connectivity, and logistical efficiency by investing in infrastructure projects, upgrading transportation networks, and modernizing logistics and supply chain infrastructure.
- Skill enhancement initiatives, vocational training initiatives, and educational reforms to equip the workforce with the skills, knowledge, and capabilities required to thrive in the modern manufacturing landscape.
- Attraction of foreign direct investment (FDI) into the manufacturing sector in critical sectors such as automotive, electronics, aerospace, and defence
- Promoting indigenous manufacturing and fostering the growth of domestic industries by encouraging homegrown talent, strengthen supply chains, and promote self-reliance to develop Indian enterprises, empowering them to compete globally and capture new markets.

Success of Make in India have been seen in sectors like Railways, Defence, Automotive, Electronics and Aviation. In Railways, GE and Alstom have signed a formal agreement to build locomotives in Bihar. In Defence, sector Airbus and TATA set up final assembly of helicopter in India. C295 plant is expected to be operational by November 2024 in Gujarat.

The Tejas Program, Light Combat Aircraft of HAL is a success story of Make in India. Boeing is currently sourcing USD 1.00 billion from India and Airbus is expected to double its sourcing from India to USD 1.5 billion in next few years.

- **PLI Scheme and 'Aatmanirbhar' Bharat**

The Production-Linked Incentive (PLI) scheme aimed at promoting manufacturing competitiveness, boosting exports, and attracting investments in key sectors of the economy launched across electronics, automobiles, pharmaceuticals, and textiles, offers incentives to companies based on their incremental production and sales

over a specified period. At its core, the PLI scheme aims to incentivize companies to expand their manufacturing capacities, adopt advanced technologies, and enhance productivity. The PLI schemes for manufacturing components of EV are an example of similar schemes. One of the key objectives of the PLI scheme is to reduce India's reliance on imports and promote domestic production across strategic sectors. By incentivizing companies to manufacture locally, the scheme seeks to enhance self-sufficiency, reduce import dependency, and bolster India's industrial capabilities. This fosters indigenous manufacturing and positioning India as a global manufacturing hub. Out of the 4,666 items across the 'For indigenization' list of Aatmanirbhar Bharat (self-reliant India), around 2,952 products have been indigenized by 2023.

- **Rise in Ease of Doing Business Ranking**

The rise in Ease of Doing Business rankings reflects a concerted effort by countries to improve their business environments, streamline regulatory processes, and attract investments. In the World Bank's Ease of Doing Business Index, India climbed from 142nd position in 2014 to 63rd in 2019, marking a substantial leap. This ascent is attributed to various reforms undertaken by the government, such as the introduction of the Goods and Services Tax (GST), simplification of business registration processes through initiatives like the Make in India campaign, and improvements in the ease of obtaining construction permits and accessing credit. India's ranking in the ease of doing business has shown significant improvements in recent years, reflecting ongoing efforts to streamline regulations and enhance the business environment.

- **Deindustrialization of Europe and Opportunity for Alternate High Quality Manufacturing Bases**

The process of deindustrialization in Europe, characterized by the decline of traditional manufacturing sectors, is unfolding over the past 4-5 years against a backdrop of technological evolution, and changing market dynamics. Global competition, facilitated by trade liberalization and advancements in transportation, has intensified pressure on European manufacturers to remain competitive. Additionally, technological innovations such as automation and digitalization have transformed production processes, by reducing the need for labour.

## OVERVIEW ON GLOBAL AND INDIAN TOOL INDUSTRY

India's manufacturing industry has experienced significant growth over the past few decades, driven by rapid industrialization and technological advancements. A critical component of this evolution has been the development of cutting tools, which play a pivotal role in shaping, crafting, and manufacturing metallic work pieces. The cutting tools industry in India has evolved considerably, adapting to the needs of diverse sectors such as aerospace, automotive, and industrial machinery.

### *A Brief Overview of the Global Cutting Tools Market*

The Indian market is known for being one of the most price-competitive in the world when it comes to cutting tools. This market produces a broad spectrum of tools, including saw blades, taps, reamers, hobs, chasers, broaches, rolling dies, drills, end mills, cutters, burrs, gear cutting tools, tool bits, tips or inserts, and many more. These tools are crucial for the removal of material from metallic work pieces, ensuring precision and efficiency in manufacturing processes.

The cutting tools market was valued at USD 77.24 billion in 2019 and is projected to reach USD 101.48 billion by 2027, growing at a CAGR of 4.2% during the forecast period. The increasing demand for metal cutting equipment from various industries, including aerospace, defense, automotive, and industrial machinery, is a significant driver of this growth.

Since, carbide cutting tools excel at precision machining, it is fast gaining prominence and is expected to continue to lead the pack of cutting and machining solutions, rising at a considerable rate during the forecast period, between 2024 and 2031, globally. The global carbide cutting tools market has risen steadily since 2023, and with the rising adoption of strategies by major players, the market is expected to rise over the projected horizon.

Asia Pacific Metal cutting tools market size was USD 37.31 Bn in 2021 and grew to USD 38.63 Bn in 2022

This growth is forecasted to continue further due to various reasons and growth factors like increasing demand from the construction, automotive and food and beverage packaging industry. Asian countries dominated 50% of the world's CNC machinery. Growing government initiatives to promote electric vehicles and rising popularity of CNC machines is fueling the market growth.

(Source: [www.fortunebusinessinsights.com](http://www.fortunebusinessinsights.com))

## *A Brief Overview of the Indian Cutting Tools Market*

The Indian cutting tools market produces a wide range of tools such as saw blades, taps, reamers, hobs, chasers, broaches, rolling dies, drills, end mills, cutters, burrs, other gear cutting tools, tool bits, tips/inserts and many more. The market has witnessed an extensive growth in the last two decades. The demand was driven by industries like construction, automotive, railway network, engineering, and defense. The reasons behind these demands are the overall growth of these sectors and increasing global competition. Among them, the major consumer of the cutting tools is the diamond cutting tool industry. India has almost 1000 manufacturing units of cutting tools. All these include the small, big, as well as medium-sized companies. The local manufacturers contribute around 45% of total production. India gives good competition to advanced countries like Japan, Germany, South Korea, Italy, etc. Since the cutting tool sector serves every other industry in India, it is a crucial part of the country's business ecosystem.

The India machine tools market size reached US\$ 1.5 Billion in 2023. Looking forward, IMARC Group expects the market to reach US\$ 3.2 Billion by 2032, exhibiting a growth rate (CAGR) of 8.2% during 2024-2032.

(Source: <https://www.imarcgroup.com/india-machine-tools-market>)

### Several Factors favouring growth of Cutting Tool industry market in India

- **Skill development supports Indian cutting tools market**

There are several key factors driving the growth of the cutting tools market in India. The rapid expansion of the Manufacturing sector, especially in Automotive, Aerospace, and Industrial Machinery, is a significant driver. Government initiatives like 'Make in India' promote domestic production and infrastructure development, boosting demand for cutting tools. Advancements in technology, such as the adoption of CNC machines and automation, enhance precision and efficiency, increasing the need for high-quality cutting tools. Additionally, the rise of small and medium-sized enterprises (SMEs) and increased foreign direct investment (FDI) contribute to market growth. The emphasis on skill development and training in advanced manufacturing techniques also supports the expanding cutting tools market in India.

- **Government initiatives support growth**

India's Manufacturing sector is expanding rapidly, particularly Automotive and Aerospace, where cutting tools are indispensable, showcasing a manufacturing boom. The increasing need for high-quality, precise components across industries also drives the demand for advanced cutting tools that offer accuracy and efficiency. Government support such as 'Make in India' and similar initiatives prioritizes domestic manufacturing, boosting the demand for locally produced cutting tools, and the growth in infrastructure projects that require substantial construction machinery usage creates a larger market for durable cutting tools.

- **The Role of CNC Machines in Market Expansion**

One of the key factors contributing to the growth of the cutting tools market in India is the increasing adoption of Computer Numerical Control (CNC) machines. CNC machines have revolutionized manufacturing by offering high efficiency, cost savings, transparency, and time efficiency. As a result, cutting tool companies have been focusing on developing and manufacturing advanced designs to meet the growing customer demands.

The integration of CNC machines with cutting tools has enabled manufacturers to achieve greater precision and consistency in their products. This has been further enhanced by advances in work piece manufacturing technologies such as metal injection molding, 3D printing, investment casting, and close tolerance forging. These technologies have not only improved the quality of the final products but have also increased the efficiency of the manufacturing processes.

- **Advancements in Additive Manufacturing**

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Another significant development in the cutting tools industry is the rise of additive manufacturing, commonly known as 3D printing. This technology has gained substantial interest from key players in the industry due to its ability to create three-dimensional objects with complex geometries. 3D printing offers several benefits, including the optimal use of raw materials, waste reduction, and ease of production. These advantages have led to an increased demand for cutting tools designed with inserts or replaceable tips and solid round tools. These tools are essential for various applications across multiple industries, such as automotive, aerospace, defense, construction, oil, and gas.

- **The Impact of Industry 4.0**

The convergence of Industry 4.0 with cutting tools is a mega-trend that is reshaping the landscape of the manufacturing industry. Industry 4.0 refers to the integration of digital technologies, such as the Internet of Things (IoT), artificial intelligence (AI), and big data analytics, into manufacturing processes to create smart factories. The integration of cutting tools with these advanced technologies is enabling manufacturers to optimize their operations and improve their overall productivity.

- **Rising Commercial Demand and Challenges**

The demand for cutting tools has also been fueled by the increasing need for efficient and hassle-free production of components. Large manufacturing facilities are adopting cutting tools at an accelerated pace, driven by rapid advancements in production technology and emerging needs for smaller factory footprints. This has contributed to the growth of the market size and the increased adoption of cutting tools in various sectors. However, the cutting tools market faces several challenges. One of the major concerns is the reliance on cutting fluids, which are essential for cooling, lubricating, and removing chips during the cutting process. These fluids can pose health and environmental risks, as they may expose machine operators to potential health hazards. Despite these challenges, ongoing investments in research and development are leading to the creation of safer alternatives and advancements in industrial protective gear for operators.

## **1. Future Outlook**

The future of the cutting tools market in India looks promising, with the continuous growth of the manufacturing sectors across the country. As these sectors expand, the demand for cutting tools is expected to accelerate, driven by the need for efficient equipment in critical and complex machine component requirements. Over the next five years, the market share of cutting tools is projected to increase significantly, catering to the evolving needs of customers and supporting the growth of India's manufacturing industry. Shining Tools Limited is committed to staying at the forefront of this evolution, developing innovative solutions that meet the changing demands of the market. By leveraging advanced technologies and focusing on customer-centric innovation, Shining Tools Limited aims to contribute to the continued growth and success of India's manufacturing industry.

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## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. See the chapter titled “**Forward Looking Statements**” beginning on page 21 for a discussion of the risks and uncertainties related to those statements and “**Risk Factors**”, “**Restated Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 29, 187 and 233, respectively for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our Company’s Financial Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for Financial Year ended on 31<sup>st</sup> July 2024, 31<sup>st</sup> March 2024, 31<sup>st</sup> March 2023, and 31<sup>st</sup> March 2022 included herein is derived from the Restated Financial Statements, included in this Draft Prospectus. For further information, see the chapter titled “**Restated Financial Information**” beginning on page 187.*


*Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “the Company” or “our Company” refers to Shining Tools Limited.*

### OVERVIEW

Our Company is engaged in the designing and manufacturing of high-performance solid carbide cutting tools catering to various industries in India. Additionally, we provide reconditioning services for used tools, ensuring their extended usability and performance. We specialize in producing a wide range of high-performance cutting tools, including end mills, thread mills, drills, and reamers, offering innovative tooling solutions. These tools are widely used in commercial metal cutting operations across multiple industries. Our cutting tools are designed for use on CNC machines such as Horizontal Machining Centres (HMCs), Vertical Machining Centres (VMCs) and turn-mill centres. They operate at high speeds and feed rates, efficiently machining a variety of metals, including cast iron, forgings, steel and aluminium.

Our facility at Rajkot manufactures various categories of tools with different technical specifications in respect to shapes, geometries, step diameters, sizes, lengths, etc and of various grades including standard, fine, ultrafine, etc. This establishes us as a comprehensive solution for all cutting tool requirements, backed by our technical expertise, skilled personnel, and the advanced machinery utilized in our production process. Our facility at Rajkot is integrated with each operation thoroughly inspected for quality through our non-contact optical CNC machines to minimise human error and also is monitored by our experienced professionals, ensuring the product quality to meet the quality standards and the specific requirements of our customers.

Apart from manufacturing standardized tools sets, our Company also has capabilities to produce customized tools to our customers for their specific requirements. This is due to the trust bestowed on us by our clients and their confidence on us in getting the required tool designed and manufactured with a particular technical specification and of the desired quality in stipulated time frame. We derive significant revenue (64% in FY 24 and average around 68% in the last 3 financial years) from manufacturing customized tools for our clients. To cater to this segment, we have trained professionals who use modern software packages like Walter Helitronic Tool Studio, Siemens Powershape, etc to prepare the design. Once the designing is done, tools are manufactured as per the specification and quality desired. Additionally, our Company also provides regrinding, re-sharpening and coating services of the used tools. These processes improve the performance of the tool and also improves the life of these tools. We leverage our expertise of designing and manufacturing of new tools into regrinding, re-sharpening and re-coating services of used tools to restore them to their original geometries and coatings due to the strong technical know-how of these tools and their technical specifications.

Our company is an ISO 9001:2015 accredited in Quality Management System for manufacturing solid carbide based cutting tools. ISO accreditation is a testament to our quality offerings. Our manufacturing facility at Rajkot is well-equipped technologically to meet the quality requirements of our client. We have five CNC machines for designing and production of the tools. 1 CNC machine is of Walter Helitronic-Tool Studio-Fanuc combination while the rest other 4 machines are of Tool Grinding Technology-Siemens-MTS combination. Our Company operates under the brand name “”, which was launched in the year 2013. We also have two German made machines to inspect the quality of the tools thus produced. One is Zoller Genius- 3s machine which does 5-axis checks while the other is Zoller Smart Check 450 machine which does 3-axis check. The more complex tools in terms of geometrics, cuts,


fruits, etc undergoes quality check in 5-axis machine while lesser complex tools undergo quality check in 3-axis machine.

These machines give report in terms of the technical specification of the tool and forms a major basis for our quality offering. Since our inception in 2013, we have always focussed on quality and product support. This key differentiator has helped us and kept us in good stead over the years as the trusted business partners to our clients in providing quality tooling solutions. High quality tools not only helps to give quality product but also improves the productivity. This helps improve efficiency of our clients and also reduce errors and losses. Hence, our consistency in delivering quality products with stipulated time frame to our clients has helped us into the business of re-sharpening, re-grinding and re-coating of used tools for our existing customers. Due to our deep domain knowledge, we also provide full support and guidance to our customers by proactively engaging with them in tool selection and better options in order to maximise their productivity and profitability by providing them right choice of customized tools.




Our manufacturing plant is located on the Gondal highway which is very near to several industrial belts like Shapar, Vavadi, etc. Many small and medium scale industries have set up shop at these industrial locations. We cater to industries located locally in these areas apart from other areas. These manufacturing units serves as a kind of captive clients to us since we are in very close vicinity and due to our quality offering. Due to the advantage of short distance, manufacturing units located here can reap the benefit of short lead time. Our manufacturing facility is spread over 5,400 Sqft and operates in two shifts with dedicated workers on each machines supported by supervisors. We maintain a comprehensive database of the tools we manufacture, including their detailed technical specifications. This resource enables us to better understand client requirements and accurately forecast the optimal inventory levels needed to meet their demands. It also allows us to efficiently serve both returning and one-time clients by quickly confirming their design and technical requirements. Our Company use ERP (Enterprise Resource Planning) software “NATIVEBIT” for managing inventory levels, production, execution, billing and receivables. Our Company has a 50 KW grid rooftop solar plant at our manufacturing facility for our captive consumption. This solar plant ensures continuous unabated operation of our manufacturing facility and is a key proposition in our BCP (Business Continuity Plan).

Few of our products offerings category-wise with respect to standard tools and customized tools for our clients as listed below:

**STANDARDIZED TOOLS**

Product Category	Product Brief	Product
<p><b>End Mills</b></p>	<p>An End Mill is a cutting tool used in industrial milling applications, and it differs from a drill bit in that it can cut in all directions (axially and radially), not just axially. Solid carbide end mills are specifically made from tungsten carbide, a durable and hard material capable of withstanding high temperatures and maintaining sharp cutting edges over extended periods.</p>	









<p><b>Drill Series</b></p>	<p>The Drill Series solid carbide tool is a high-performance cutting tool designed for precision drilling applications, often used in industries such as aerospace, automotive, and metalworking. These tools are made from solid carbide, a composite material known for its hardness, durability, and resistance to wear, which allows them to maintain cutting edges longer than high-speed steel (HSS) tools.</p>	
<p><b>Reamers</b></p>	<p>Solid carbide reamer is a precision cutting tool used in machining operations to enlarge or finish pre-drilled holes to an exact size, typically to a high tolerance. It is specifically made from carbide, a material known for its high hardness, wear resistance, and heat tolerance, making it ideal for cutting tough materials like stainless steel, titanium, and other high-strength alloys.</p>	
<p><b>Milling Cutters</b></p>	<p>Milling cutters are precision tools used in milling machines for material removal from workpieces to shape, cut, or finish them. Among the various types of milling cutters, solid carbide tools stand out for their strength and durability.</p>	

Our Company caters to diverse range of industries like Agriculture, Automobiles, Engineering, Medical, Casting and foundry, Defence and aerospace, Power and energy, Mould and die, General Engineering etc.



**Aerospace:** Our Company provides high-precision tooling solutions for aerospace manufacturers, allowing for the machining of advanced materials like titanium alloys and composites.

<p><b>Medical:</b> We also offer precision tools for medical device manufacturers, helping produce components for surgical instruments, implants and other critical medical devices.</p>	
	<p><b>Power and Energy:</b> Our Company supports the Power and Energy industry with a broad range of tools designed for milling, turning, and drilling operations.</p>
<p><b>Automotive:</b> Shining Tools supplies cutting tools for the automotive sector, aiding in the production of critical components such as engine blocks, gears, and transmission systems.</p>	
	<p><b>Mould &amp; Die Industry:</b> Carbide cutting tools designed for high feed machining, enables faster material removal rates, this capability is invaluable in reducing cycle times and optimizing the overall efficiency of mould and die production.</p>
<p><b>Casting &amp; Foundry :</b> Our Company supplies cutting tools for the Casting and Foundry industries for their different uses <u>milling</u>, <u>drilling</u>, turning, and <u>reaming operations</u>.</p>	
	<p><b>General Engineering:</b> The <u>Carbide drills</u> are essential for creating holes in a variety of materials. These cutting tools are able to withstand high temperatures and speeds, making them ideal for high-speed drilling applications. Carbide drills can be used to create holes in materials such as steel, aluminum and cast iron.</p>

**CUSTOMIZED TOOLS**



**CARBIDE TOOLS:**





**PROFILE T-SLOT TOOL-**

A "carbide profile T-slot tool" is a specialized cutting tool made from solid carbide material, designed to precisely machine T-shaped slots (T-slots) in various materials by cutting along the profile of the "T" shape, with the "carbide" aspect indicating its high wear-resistant cutting edge, allowing for efficient machining of hard materials

**SPHERICAL BALL TOOL-**

A "spherical ball carbide" tool, also known as a "carbide ball nose end mill," is a cutting tool with a rounded, spherical tip made from tungsten carbide, primarily used in CNC machining to create smooth, curved surfaces on a workpiece by providing a consistent radius across the entire cutting edge, ideal for 3D profiling and intricate contours



 <p style="text-align: center;">IRRIGATION TOOL</p>	<p><b><u>IRRIGATION CARBIDE TOOL</u></b>  An "irrigation carbide tool" refers to a cutting tool made with carbide material, specifically designed for use in cutting and shaping PVC pipes or other plastic tubing used in irrigation systems, leveraging the extreme hardness and wear resistance of carbide to efficiently create clean, precise cuts with minimal burrs, making it ideal for installing irrigation lines.</p>
<p><b><u>PROFILE CARBIDE TOOLS</u></b>  Profile carbide tools are used for cutting edge profiles, deburring, and machining harder materials. They are made of carbide, a composite material that is hard, wear-resistant, and stable at high temperatures.</p>	 <p style="text-align: center;">PROFILE TOOL</p>

### INSTALLED PRODUCTION CAPACITY AND PRODUCTION UTILIZATION

Sr. No	Product	Installed Capacity (Nos.)	Utilization (%)			Installed Capacity (Nos.)	Utilization (%)
			FY 2021-22	FY 2022-23	FY 2023-24		
1	Solid Carbide Cutting Tools- Endmill	12,500	95	97	92	15,624	30
2	Solid Carbide Cutting Tools- Ballnose	4,000	96	97	97	4,998	26
3	Solid Carbide Cutting Tools- Drills	6,000	85	92	78	7,500	24
4	Solid Carbide Cutting Tools- Threadmills	1,500	79	92	53	1,875	17
5	Solid Carbide Cutting Tools- Custom tools	9,000	82	85	77	11,250	22
6	Solid Carbide Cutting Tools- Tiny Tools	1,500	80	83	50	1,875	16
7	Solid Carbide Cutting Tools- Reamers	1,500	62	91	62	1,875	20
8	Tool Reconditioning (Service)	64,000	93	96	89	80,001	23
	<b>Total</b>	<b>1,00,000</b>	<b>91</b>	<b>95</b>	<b>86</b>	<b>1,24,998</b>	<b>24</b>

Note: <sup>^</sup> on a non-annualized basis.

Pursuant to the certificate dated, November 09, 2024 from our Chartered Engineer Bhavin R. Patel & Associates

Our average capacity utilization over last 3 financial years ending 2024 stands at around 90%. This blended high capacity utilization is testament to our quality product offerings and the demand of our product. There has been some small fall in the overall capacity utilization in FY 2024 due to downtime and more attention towards high margin product because of which our realization per tool has increased.

## FINANCIAL SNAPSHOT

Set forth below is certain financial information and certain KPIs of our business.

(₹ in Lakhs)

Particulars	As on July 31, 2024	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Revenue from operations (₹ in Lakhs) <sup>(1)</sup>	358.56	1,052.95	1,032.15	1,007.05
EBIDTA (₹ in Lakhs) <sup>(2)</sup>	192.52	414.84	188.60	185.06
EBIDTA Margin (%) <sup>(3)</sup>	53.69%	39.39%	18.27%	18.38%
PAT (₹ in Lakhs) <sup>(4)</sup>	93.01	157.53	-7.92	-19.52
PAT margin (%) <sup>(5)</sup>	25.94%	14.96%	-0.76%	-1.92%

For further reference please see Chapter “Management Discussion and Analysis of Financial Conditions and Result of Operations” and “Restated Financial Information” beginning on page no. 233 and 187 of this Draft Prospectus.

## REVENUE VERTICALWISE (PERCENTAGE OF TOTAL SALES)

Regional Breakdown	Period ended		For Financial Year					
	July 31, 2024		Mar-24		Mar-23		Mar-22	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
West <sup>(1)</sup>	349.86	97.57	1,007.67	95.69	980.15	94.96	964.89	96.83
North <sup>(2)</sup>	1.8	0.5	13.18	1.25	14.25	1.38	24.62	1.29
South <sup>(3)</sup>	6.9	1.93	32.1	3.06	37.27	3.58	17.33	1.79
East <sup>(4)</sup>	-	-	-	-	0.48	0.08	0.21	0.09
<b>Total</b>	<b>358.56</b>	<b>100</b>	<b>1,052.95</b>	<b>100.00</b>	<b>1032.15</b>	<b>100.00</b>	<b>1,007.05</b>	<b>100.00</b>

(1) West includes Maharashtra, Madhya Pradesh, Gujarat, Dadra and Nagar Haveli and Rajasthan.

(2) North includes New Delhi, Haryana, Punjab, Uttar Pradesh, Uttarakhand, and Himachal Pradesh.

(3) South includes Tamil Nadu, Kerala, Karnataka, Telangana.

(4) East includes West Bengal, and Jharkhand

Particulars	For the period ended July 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
Manufacturing-Standardized tools	8	10	6	1
Manufacturing-Customized tools	68	64	68	72
Re-conditioning tools	24	27	27	27

Our Company derives majority of its revenues from the customized tools while standardized tools forms distant third in terms of percentage in overall revenues. Given our specialization in making customized tools to meet our client’s requirements, our company is preference of choice for our customers. Also, customized tools come with very high realization per tool compared to standardized tools and re-conditioning tools. Hence it augurs well for our profitability.

## REVENUE CONTRIBUTION TOP 5 AND 10 CUSTOMERS

The table below sets forth the share of our top 5 and top 10 customers in the total revenue for stub period up to July 31<sup>st</sup> 2024, Financial Year 2024, Financial Year 2023 and Financial Year 2022:

(₹ in Lakhs)

Particulars	FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25 (Apr-July)	
	Sale Amount	% Share of Total Sales	Sale Amount	% Share of Total Sales	Sale Amount	% Share of Total Sales	Sale Amount	% Share of Total Sales
Top 1 customer	93.51	9.29%	89.48	8.67%	133.41	12.67%	53.40	14.89%
Top 5 customers	309.09	30.69%	356.3	34.52%	416.06	39.51%	165.18	46.07%
Top 10 Customers	458.19	45.50%	516.98	50.09%	594.43	56.45%	222.3	62.00%

Pursuant to the certificate dated, December 03, 2024 from our Statutory Auditor M/s V S S B & Associates, Chartered Accountants.

## TOP 5 AND 10 RAW MATERIAL SUPPLIERS

The table below sets forth the share of our top 3 and top 5 raw material suppliers (Solid carbide) in the total raw material purchases for stub period up to July 31<sup>st</sup> 2024, Financial Year 2024, 2023 and 2022:

(₹ in Lakhs)

Particulars	FY 2021-22		FY 2022-23		FY 2023-24		For the period ended July 31, 2025	
	Purchase Amount	% Share of Total Purchase	Purchase Amount	% Share of Total Purchase	Purchase Amount	% Share of Total Purchase	Purchase Amount	% Share of Total Purchase
Top 1 supplier	225.82	87.35%	116.41	59.81%	92.30	55.39%	45.88	58.08%
Top 5 Suppliers	235.81	94.13%	144.75	79.54%	161.94	94.02%	76.65	92.88%
Top 10 Suppliers	245.07	97.83%	166.05	91.24%	167.47	97.47%	80.30	97.30%

Pursuant to the certificate dated, December 03, 2024 from our Statutory Auditor M/s V S S B & Associates, Chartered Accountants.

## OUR BUSINESS MODEL

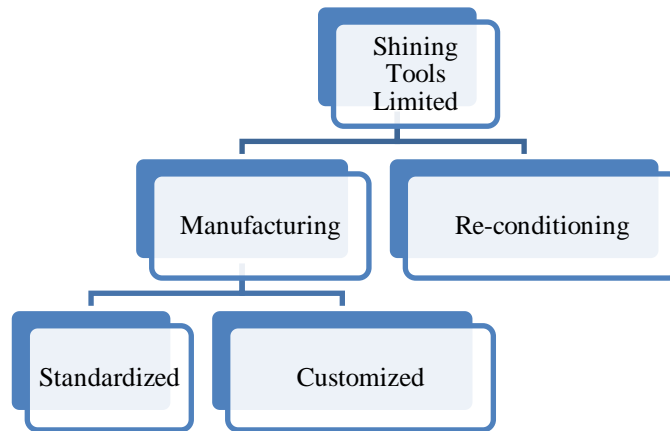
We have two verticals. 1. Manufacturing of solid carbide tools and 2. reconditioning of used tools as depicted below.

Standardized sets of tools come with less challenges as the design and specification is already available in the database and are more or less monotonous in nature. It usually takes 8-10 days to make such tools.


Customized tools come with their own set of challenges and are more complex in nature. Their drawings and designs needs to be first prepared by us and confirmed by the client before proceeding ahead with manufacturing. Hence it takes more time to make such tools when compared to manufacturing standardized tools. It usually takes 1-3 week to make these tools and varies as per the complexity of the tools.

Re-conditioning: We re-condition used tools to bring it back to usable life. We provide regrinding, re-sharpening and re-coating services of the used tools irrespective of the brand and manufacturer of the tool. These processes improve

the performance of the tool and also improves the life of these tools. This is a cost saving method. For re-coating services, we send the tools to “Oerlikon Balzer Coating India Pvt Ltd” or “Nissin Advanced coating Indo Co. Private limited” as company does not own any re-coating facilities due to its high initial capital cost and also due to technology barrier.



We have a marketing team of two persons who regularly keep in touch with our clients for their requirements. We have a database of our existing clients with whom we regularly meet and interact and have them on our site for visit. We visit trade exhibitions, local seminars to reach new customers and penetrate our offerings. We update ourselves with new market trends, try to know any new facility set up nearby and pitch our offerings. Our Company caters to both private companies as well as Government orders by bidding in tenders, though the revenue from Government tenders is miniscule in the overall revenue base.

In 2013, our Company initially started with the trading of cutting tools at Vavadi, an industrial belt in Rajkot. Seeing the scope in tools manufacturing business, our Company ventured into the business of cutting tools as well. Also it served as a natural extension to get into manufacturing as we possess technical and domain knowledge. In 2019, our Company shifted its manufacturing unit from Vavadi to its present location at Pipaliya due to expansion of business and dearth of space at Vavadi unit. However, our Company stopped its trading business subsequently due to the quality issues of other manufacturers and its possible bad impact on our own manufacturing unit and on our brand value. Hence, to preserve our image and brand our Company currently pursues only tool manufacturing under the brand name  and looks to augment the scale of the operation in terms of capacity and also geographically. To pursue growth organically and inorganically, our Company attends various seminars and exhibitions to showcase its products. Our Company participated in EMO event in Hannover, Germany in 2019 and local exhibitions and seminar events like IMTEX (International Machine Tool and Manufacturing Technology) Bengaluru and IMEX (International Machine Tools Expo). Also, we participate in various trade fairs locally to penetrate our product further. Our Company is actively looking to participate in IMEX and EMO exhibitions in the year 2025.




Our Company’s promoter Mr. Kamal Laljibhai Ghonia attended EMO event in Hannover, Germany in 2019

Promoters of our Company are Mr. Vipul Laljibhai Ghonia and Mr. Kamal Laljibhai Ghonia. Together, they have collective experience of more than 2 (two) decades in the business of our Company. They have in-depth knowledge of the cutting tool industry and give strategic guidance to our Company for future growth. Their continuous focus on innovation, quality and customer satisfaction has helped our Company to maintain its competitive edge in the market.

Mr. Vipul Laljibhai Ghonia looks after Purchase, Finance and Accounts part of the business, while Mr. Kamal Laljibhai Ghonia looks after Sales and execution and technical aspect of the business.

## COLLABORATIONS/TIE UPS/ JOINT VENTURES

Our Company currently operates independently under the brand name , without any active collaborations, tie-ups, or joint ventures with any other organizations. Though we do not have any active collaborations or partnerships presently, we may look or evaluate into any partnership or collaboration with any technology partner in the future if it fits strategically with our interest and gives us legroom for further growth.

Due to entrant of new players and considering the scope of growth in India and world-wide, consolidation may happen in the future. We have formidable brand name in the market. Hence, we may lever our brand proposition with any new player looking to set up a base and looking to deploy capital. We may form a joint venture to grow organically or may also look for capacity expansion and to venture into new geographies through acquisition, if it fits our strategy and our scope for growth.

## OUR RAW MATERIALS PROCUREMENT PROCESS

The primary raw material for manufacturing solid carbide-based tools is carbide, chosen for its exceptional hardness. As one of the hardest materials available, second only to diamond, carbide is ideal for applications requiring high resistance to abrasion and wear. It is abundantly and readily available in regions such as China, Korea, Taiwan, Europe, and Germany.

Though the raw materials need to be imported in India, there has never been any dearth or shortage of Carbide. We source our raw materials only from an authorized dealers located in India who are known for its quality and consistent availability. We usually procure our raw materials from companies like Kennametal India Ltd and Konrad Friedrichs Carbide Rod. Purchases are made through a formal purchase order to their dealers. Our Company provides the purchase order to the supplier, who then fulfills the order as per requirements.

Availability of Carbide is adequate and easily available in the market when needed. There have been minimal or negligible price fluctuations up to 3-5% only.



### **Depiction of raw material procurement process**

Responsibility for supplying the raw material lies on the supplier itself. They arrange for the transportation and supply the required material as per our Company's requirement.

After receiving the raw material, we begin by verifying both the quantity and the accompanying test certificates to ensure they meet the required specifications. Once verified, the material is then cut according to the necessary dimensions. Following the cutting process, a thorough inspection is conducted on the material to check for any defects or inconsistencies. If the material passes the inspection, then only it goes to production unit for further processing.

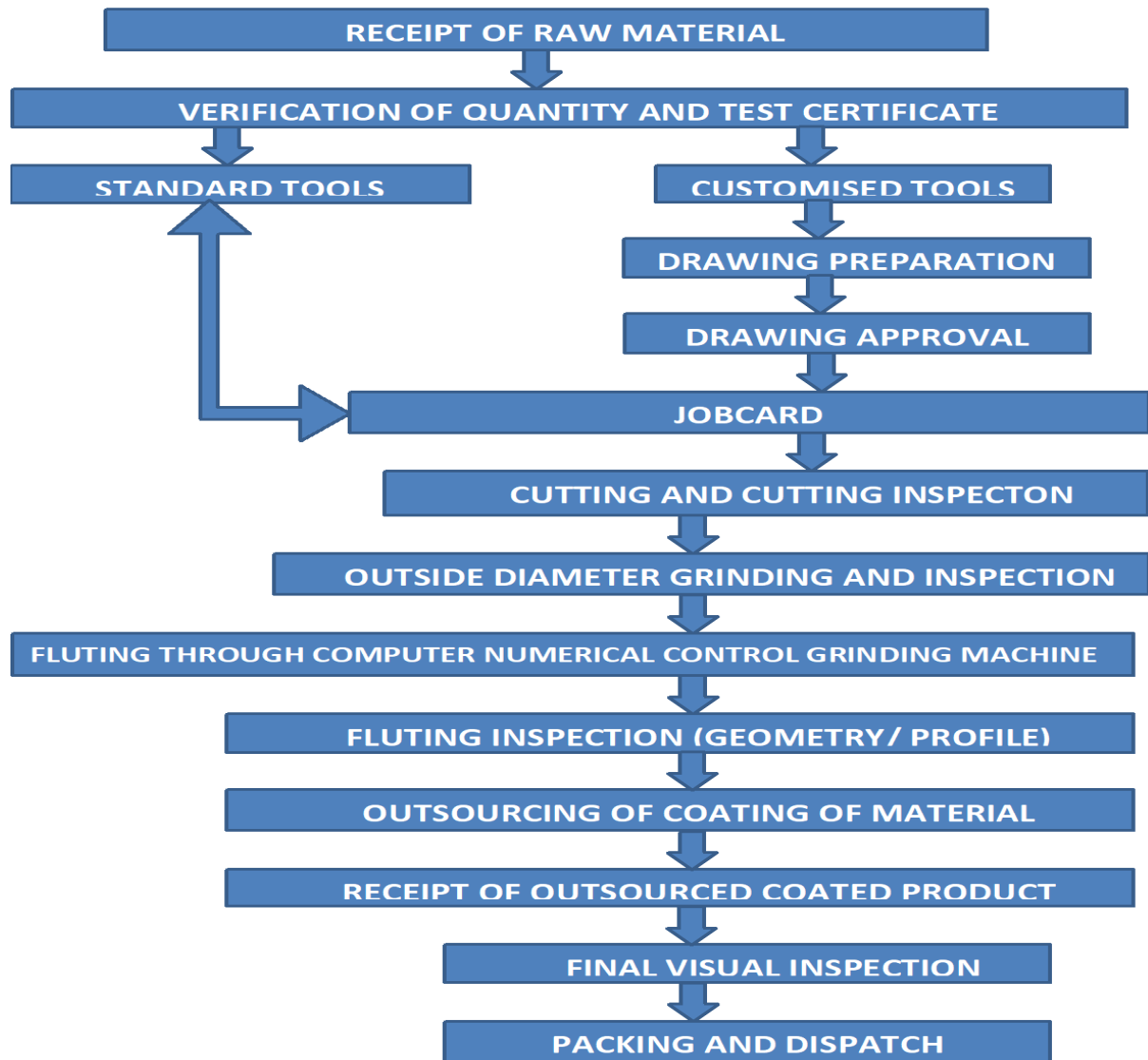
### **Advantage of Solid Carbide based cutting tools:**

Solid carbide based cutting tools is a new edge technology. Carbide based cutting tools are more prevalent among the modern manufacturing and engineering industry. Carbide in the tools imparts better physical properties to cutting tools like withstanding higher operating temperatures while preserving the cutting ability of the tool at the same time. This makes the tools more capable of doing the tasks assigned to them.



Also, carbide is much harder, so it imparts long life to the tools and faster cutting as compared to HSS (High Speed Steel) cutters. Though bit expensive as compared to HSS, in the long run it is more economical as life is more. Due to such high tenacity of Carbide in withstanding operating heat and due to its toughness (only next to Diamond), Carbide based tools last longer which in turn reduces the operating cost due to less machine downtime, less tool changes and less tool purchases.

## OUR COMPLETE MANUFACTURING PROCESS



### 1. Receipt of Raw Material:

Raw materials, such as steel or other metals used for tool production, are delivered to the facility. This step involves checking and documenting the receipt of raw materials to ensure all ordered materials have been delivered.

### 2. Verification of Quantity and Test Certificate:

The received raw materials are verified for quantity, and accompanying test certificates (e.g., confirming chemical composition, physical properties) are checked for compliance with specified requirements.

### 3. Preparation of Drawing:

Once the requirement is received from the client with complete technical details and their specification, our team prepares drawing on NX12 Siemens make software package. This is a 2D drawing and is sent to client for their vetting and approval.

#### **4. Approval of Drawing:**

Clients review the drawing sent by our Company. They inspect the drawing and if required, modifications are done. Once the design is confirmed by the client, the production process is initiated. This eliminates the risk of re-work in case of drawings not approved by the client.

#### **5. Cutting and Cutting Inspection:**

The raw material is cut to the required size and shape, preparing it for further processing. This step includes an inspection of the cut pieces to ensure accuracy in dimensions and quality standards, avoiding issues in subsequent stages.

#### **6. Outside Diameter Grinding and Inspection:**

The exterior of the material is ground to achieve the precise outer diameter, ensuring a consistent and smooth finish. An inspection follows to check that the diameter meets exact specifications, minimizing defects and variations.

#### **7. Fluting through Computer Numerical Control (CNC) Grinding Machine:**

Using CNC grinding machines, flutes (grooves or channels that give tools their cutting edge) are created on the tool surface. CNC machines allow for high precision, complex designs, and consistent production.

#### **8. Fluting Inspection (Geometry/Profile):**

The fluted geometry and profile are inspected to ensure accuracy and adherence to design specifications. This inspection involves checking critical dimensions, angles, and symmetry to guarantee proper tool performance during use.

#### **9. Outsourcing of Coating of Material:**

The semi-finished tools are sent out to an external vendor or facility for coating. Coating can enhance tool durability, reduce friction, increase resistance to wear, and improve cutting efficiency, depending on the type of coating applied.

#### **10. Receipt of Outsourced Coated Product:**

The coated products are returned to the company. At this stage, they are inspected for coating quality (e.g., evenness, thickness, adherence) to confirm that the process was completed as required.

#### **11. Final Visual Inspection:**

The finished tools undergo a thorough visual inspection to identify any defects, inconsistencies, or imperfections. This step ensures that all tools meet the company's quality and aesthetic standards before being packaged.

#### **12. Packing and Dispatch:**

The approved tools are securely packed to prevent damage during transport. The packaged products are labeled and prepared for shipment to customers, completing the production process.

This detailed process ensures consistent quality, precision and performance of manufactured tools, making them suitable for their intended industrial applications.

STRENGTHS	WEAKNESS
<ol style="list-style-type: none"> <li>1. Diverse Product Portfolio catering to various industry needs.</li> <li>2. Established and reliable networking channels.</li> <li>3. Quick Response due to strategic location.</li> <li>4. Repertoire of Design and technical specification of the tools.</li> <li>5. Experienced Team of Designing.</li> <li>6. Ability to manufacture customized complex tools to meet specific customer requirements.</li> <li>7. Advanced CNC manufacturing machines and Zoller make Quality inspection machines.</li> <li>8. Enough factory space to augment production capacity by 4-5 times.</li> <li>9. No client concentration.</li> </ol>	<ol style="list-style-type: none"> <li>1. Existing capacity utilization at 90% plus.</li> <li>2. Requirement of high working capital.</li> <li>3. Absence of Global Presence.</li> <li>4. Absence of Distributors or Channel Partners</li> <li>5. High initial cost of machineries.</li> </ol>
OPPORTUNITIES	THREATS
<ol style="list-style-type: none"> <li>1. Technological Advancements by way of Adoption of Computer Numerical Control manufacturing method.</li> <li>2. Scalability: Government of India's thrust on programs like "Make In India", "PLI (Production Linked Incentive), etc and globally a "China Plus One Strategy" can result in increase in manufacturing activity.</li> <li>3. Can tap clients due to presence near several industrial belts.</li> <li>4. Inorganic growth by way of collaboration or tie-ups for new technology, new geography, etc</li> <li>5. Enter into new geographies.</li> <li>6. Exports opportunities.</li> </ol>	<ol style="list-style-type: none"> <li>1. Unorganized market selling finished Chinese products at less price.</li> <li>2. Economic Fluctuations- Slowdowns in construction industry could reduce demand for tools.</li> <li>3. Rising Raw Material Costs due to Price volatility.</li> <li>4. Government Policy on Import of carbide.</li> <li>5. Force-majeure events like Covid can affect the business.</li> <li>6. Downgrading of Indian economy can affect the business and the cost of funds.</li> <li>7. Intense competition from new entrants and existing established Indian and Foreign players.</li> <li>8. Low entry barrier.</li> </ol>

## OUR COMPETITIVE STRENGTH

### *Efficiency through Machine-Based Manufacturing Tools*

Efficiency is at the core of our operations, driven by our advanced machine-based manufacturing tools. By leveraging cutting-edge technology, we optimize production processes, ensuring precision and consistency in every tool we manufacture. Our machine-oriented approach not only reduces human error but also enhances productivity, enabling us to meet growing market demands swiftly and cost-effectively. This efficiency allows our company to deliver high-quality, customized tools while maintaining competitive pricing.


### *Tailored Solutions to customers by Offering Customized Tools*

We understand that each customer has unique requirements, which is why we specialize in offering customized tools to provide tailored solutions. Our ability to design and manufacture tools specific to individual needs ensures that our clients receive products that perfectly match their operational demands. Whether it's specialized dimensions, materials, or functionalities, our customization capabilities enable us to serve a wide range of industries with precision

### *Wide and diverse range of product offerings*

We pride ourselves on our wide and diverse range of product offerings designed to meet the varying needs of our customers across multiple industries. From precision cutting tools to heavy-duty machinery accessories, our extensive portfolio ensures that clients can find the right tools for any application. Our commitment to quality and innovation drives us to continually expand and enhance our product range, incorporating the latest technological advancements. This diversity not only allows us to cater to specific customer requirements but also positions us as a one-stop solution for all tool manufacturing needs, fostering long-term partnerships and customer loyalty.

### ***Experienced management and technical expertise of employees***

Our Promoters have extensive knowledge in manufacturing of cutting tools. Together, our promoters Mr. Kamal Laljibhai Ghonia and Mr. Vipul Laljibhai Ghonia brings over 2 decades of experience and have been very pivotal in making and building the brand “” and penetrating this brand. Their deep knowledge and technical know-how is of paramount importance for our company, and for manufacturing processes ensures that the company maintains high standards of operational efficiency and product quality.

Tools we manufacture are complex in nature and some tools have varied projections, fruits, curvatures and dimensions and has to be designed and produced in accordance to the requirements submitted by our clients. Designing and thus producing such tools as per the requirement submitted by our client requires a lot of technical expertise and knowledge of the process, tools end use (type of tools), industry, designing knowledge, expertise in software packages, etc. We have these technically expert people and we train them or have small sessions periodically to keep them abreast of the advancements and re-skilling.

### ***Strategic Location***

Our manufacturing facility is located at Pilaliya on the Rajkot-Gondal highway. This area is replete with number of factories in SME and MSME category in various domains like Engineering, Automobiles, Agriculture, Auto Ancillaries, Die-moulding, etc. We have Shapar and Vavadi industrial belt in very close vicinity where various manufacturing plants in various domains require metal cutting. Our high-quality solid carbide cutting tool finds great usage and application and has great scope to cater to other nearby industrial belts as well.

Also being on the highway, we have unhindered access to usage and can transport our products in short time.

### ***Quality Assurance***

We ensure each of our tools meets the quality requirements as desired by our clients. Hence to ensure such quality and our standing in the market, we have 2 Zoller make machines to inspect for the quality of each of the tools produced. One is Zoller Genius- 3s machine which does 5-axis checks while the other is Zoller Smart Check 450 machine which does 3-axis check. The more complex tools in terms of geometrics, cuts, fruits, etc undergoes quality check in 5-axis machine while lesser complex tools undergo quality check in 3-axis machine. These machines give report in terms of the technical specification of the tool and forms a major basis for our quality offering.

### ***Good relationship with clients***

We enjoy very good relationship with almost all of our clients. Due to our expertise and thrust on quality offerings, we enjoy close rapport with our clients. We serve our clients not only by giving our services in manufacturing and re-conditioning, but we also provide them with guidance and knowledge of any specific tools which can reduce their production time and increase their efficiency.

Due to our strong technical knowledge and confidence of our clients in our capability in producing tools in desired time, we provide customized tools and often the clients are repetitive.

### ***Good relationship with our raw material suppliers and other vendors***

We enjoy very good relationship with all our vendors and suppliers till date. Due to this close relationship, we are able to procure raw materials on time and also at very competitive rates. There has never been any shortage of raw materials ever due to this.

## **OUR BUSINESS STRATEGY**


***Expand our scope by adding more products***

Our Company believes that expanding and launching a new product range will enable us to utilize our capacities, manpower, and other resources better. The marketing of the new products will be aided by our existing customer base, longstanding trade relations, and overall goodwill in our industry. Key focus shall be on high end complex and high margin customized tools. These tools though complex in nature comes with high margin when compared to standardized tools and company has built huge expertise over the years in such products.

#### ***Broaden and deepen presence in existing product portfolio***

We aim to broaden and deepen our presence in our existing product portfolio. This involves enhancing our market penetration and reach for the products we currently offer. By leveraging our strengths and understanding market dynamics, we seek to capture a larger share of the market while also strengthening our relationships with existing customers. Additionally, we will explore opportunities to expand our product offerings within our current portfolio, identifying areas for innovation and differentiation to meet evolving customer needs.

#### ***Develop distributors network***

We aim to start with distributorship for our products. We shall identify areas with industrial belts or specific places like MIDC, GIDC, etc to have a dealership there. This shall penetrate our brand  further into new geographies and also improve the visibility. Also we can expect additional orders for standardized tools from these point of sales. This shall ensure our additional capacity working at optimum utilization levels and also beef our order books giving visibility of revenues.

#### ***Start with new Re-conditioning facility***

Tools usually used in the metal cutting are expensive in nature. Small wear and tear of the tool can render it in-operational or can reduce its efficiency drastically. With re-conditioning process, tool can be reinstated with its initial performance levels albeit at lower costs of replacing the tool. This industry has grown in leaps and bounds and forms a formidable vertical for our company as well. We look to pilot 2-3 re-conditioning facilities in the industrial areas of adjacent state of Madhya Pradesh and Maharashtra. Having such facility gives us to capture new geography and new clients and our company can even tap these clients for any specific requirements. Having opened such facility at the adjacent state first can be beneficial in case of any manpower shortage, re-skilling, replenishing, etc

#### ***Develop our export division***

Our strategy entails leveraging our manufacturing expertise, regulatory compliance, and quality assurance standards to penetrate new markets and expand our footprint globally.

#### ***Increase by targeting unexplored markets within India***

As part of our growth strategy, we intend to target unexplored markets as well as enhance our presence in existing geographies. Our growth strategy will vary from region to region in the country. The customisation of products under will add to the growth.

#### ***Leveraging our marketing skills and relationships.***

This is a continuous process in our organization and the skills we impart in our people give importance to clients. We aim to do this by leveraging our marketing skills & relationships and further enhancing customer satisfaction.

### **OUR NEAREST COMPETITORS**

Domestically, we believe that there are no listed companies in India which are engaged in the same business with an equivalent product mix as our Company. However, we face a lot of competition from Indian manufacturers which include Established Tool Manufacturers, and SMEs. The major factors which affect competition in our business are product quality, pricing and client servicing.

Internationally, competition comes from low-cost products, which are manufactured in China by global tools giants and quality products, which are manufactured in Germany, Italy, Japan etc.

We have competitors in the form of local players and Multi-National companies as well. Few of them are listed as below:

Local Players:

- Accusharp Cutting Tools, MIDC Chinchwad-Pune
- SST Cutting Tools, Bengaluru

- VP Tools India Pvt Ltd, MIDC Halsavade- Maharashtra
- Arrow Tools Pvt Ltd, Aurangabad-Maharashtra

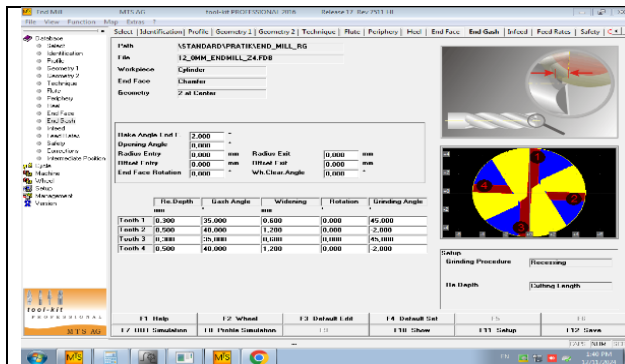
**MNC Players:**

- Kennametal India Ltd, Bengaluru
- Guhring India Pvt. Ltd, Bengaluru
- ISCAR India Pvt Ltd, Vashi-Maharashtra
- YG Cutting Tools Corporation Pvt Ltd, Nagandenahalli-Karnataka

**Our locations:**

Purpose	Address
Registered office & Manufacturing Unit	Survey no.63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India.

**Our Manufacturing Facilities:** We have our manufacturing facility located at Survey no.63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India in a total area of 1,603.27 Sq. Mtr having total construction area of 1,945.86 Sq. Mtr with three floors.



We have latest software applications to design the geometry and profile of the tools. Which includes following steps:

- Concept and Design Requirements
- CAD Modeling
- CAM Programming
- CNC Tool Grinding

We have the latest CNC / VMC machines





Quality Check and Inspection Process with brief about Profile Projector, CNC Measuring facility, smart check machines etc.

Zoller Genius and Zoller Smart check Tool Inspection Machine

Purpose: Used for non-contact measurement and inspection of cutting tools to ensure precise geometries, tolerances, and high-quality standards.

Applications:

Ideal for tool manufacturers who need precision verification for high-performance tools.

Widely used in industries demanding high standards in tool quality, such as automotive, aerospace, and medical device manufacturing.

The Zoller Genius machine is a powerful tool for ensuring that cutting tools meet precise standards, contributing to improved production quality, reduced waste, and enhanced productivity in tool manufacturing.

We are maintaining the inventory of our standard tools as well as customised tools in a very systematic way so that we are in a position to dispatch the material to our customers well in time.



## LIST OF MACHINERIES AT OUR MANUFACTURING PLANT

Sr. No.	Description (including make and model etc.)	Whether it is second hand, if yes mention age of machine prior to purchase	Quantity	Year of purchase	Name of vendor/Seller
1	Bench Top Inspection System & Clamping	New	1	21-09-2013	Mahek Enterprise
2	CNC Grinding Machine	New	1	07-12-2013	Tool Grinding Technology INC
3	Stabiliser	New	1	31-12-2013	Confidence Corporation
4	Carbide cutting machine	New	1	02-01-2014	Sanjay Mechanicals
5	CNC	New	1	01-10-2015	Shree Umiya Chemicals
6	Compressor	New	1	09-10-2015	Shree Krishna Freeze
7	Laser Marking Machine	New	1	31-10-2015	Agile Machineries Pvt. Ltd.
8	U 127/300 Cylindrical Grinding Machine	New	1	15-12-2015	Sharda Mechanic Works Pvt. Ltd.
9	Tea Machine	New	1	22-12-2015	Prime International
10	Measuring Instruments	New	2	27-12-2015	Fork Measuring Company
11	Dust Collector	New	1	19-01-2016	Innovative cleaning Systems Pvt. Ltd.
12	Zoller Tool Presetter-450/D400 PILOT 3.0	New	1	22-01-2016	Zollar Singapore PTE Ltd.

13	CNC Grinding Machine	New	1	18-03-2016	Tool Grinding Technology INC
14	AIR Compressor	New	1	03-09-2016	Suvidha Enterprise
15	Ball Screw	New	1	17-09-2016	CNC Servicing and Solution Pvt. Ltd.
16	Tool Room Air conditioner	New	1	01-04-2017	Shree Maruti Enterprise
17	Press	Old	2	29-06-2017	Vandit Industries
18	Centreless Grinding Machine	New	1	31-10-2017	Bhagwan Sons
19	MIST Collector	New	1	29-01-2018	Superior Electric
20	Air Dryer	New	1	19-02-2018	Jay Engineering
21	CNC Machine	New	1	01-03-2018	JV Exports
22	OIL Chiller	New	1	09-03-2018	Shree Maruti Enterprise
23	Work head Stock Spindel	New	1	14-04-2018	Sharda Mechanic Works Pvt. Ltd.
24	Stabiliser	New	1	08-05-2018	Atandra Energy Pvt. Ltd
25	CNC Machine	New	1	22-05-2018	J V Exports
26	VMC	New	2	30-05-2018	Shree Umiya Engineers
27	Tool and Cutter Grinder	New	1	09-08-2018	Akshar Machine Tools
28	V Block	New	1	23-10-2018	V3 Technologies
29	Encoder	New	1	26-03-2019	Tool Grinding Technology INC
30	Zoller Tool Presetter-Genius 3.0	New	1	19-12-2019	Zollar Singapore PTE Ltd.
31	CNC Grinding Machine	New	1	15-06-2020	Radadiya Enterprise
32	VMC 850	New	1	08-02-2021	Jyoti CNC Automation Ltd.
33	2 Axis SPM Cutting Machine	New	1	15-05-2021	Satyam Automation
34	Mechanical Fixture	New	1	26-07-2021	Unitech Workholding Systems Pvt. Ltd.
35	RDX 20 VMC	New	1	25-03-2022	Jyoti CNC Automation Ltd.
36	U 127/300 Cylindrical Grinding Machine	New	1	01-04-2022	Sharda Mechanic Works Pvt. Ltd.
37	Coolant Chiller	New	1	20-06-2022	DAI CHI Cooling Solutions Pvt. Ltd.
38	CNC 5 Axes Tools & cutter Grinding machine	Old	1	24-04-2023	Shine Industries
39	CNC Universal Tool & cutter Grinding machine	Old	1	20-04-2023	Shine Industries
40	Ri 5070 6 Axis Grinding Machine	New	1	09-05-2024	Radadiya Enterprise

## UTILITIES AND INFRASTRUCTURE FACILITIES

### **Power**

Our Company needs power in a surplus state with minimal fluctuations and blackouts for the manufacturing facility's lighting, equipment, etc. Our Company has enough electricity supply to support both current operations and future growth. The Company has connection from Paschim Gujarat Vij Company Limited with capacity of 100 KVA.



### ***Solar Plant***

Our Company has installed 50KW Grid Roof Top Solar System at our manufacturing facility. This plant is purely for our captive consumption.



### ***Water***

Water is a critical utility for our plant. We require water for human consumption and basic necessity in our facility. The company has its internal borewell at Factory.

### ***Firefighting Equipment***

Ensures fire safety across production, storage and administrative areas. Firefighting cylinders are kept at strategic location to cover maximum production facility.

### ***Road***

Our manufacturing facility has good frontage. We are well connected to various parts of Gujarat state and other parts of India as our manufacturing facility is located on Rajkot Gondal National Highway No. 27. Because of such strategic location, we can serve our customers with less lead time.

### ***Canteen Facility***

We have a canteen facility where we serve our employees. We work in two shifts. Our canteen provides best of the possible and hot meals for our employees to take care of their health. As a result, our employees do not need to leave the premises for meals, allowing them to get the necessary rest while also saving valuable time for our Company.

### ***Residential Quarters***

We focus on the overall well-being of our employees and have established separate quarters adjacent to our manufacturing facility. These quarters are divided into two sections: one for bachelors and the other for employees with families. This arrangement allows employees to reside with their families in a comfortable, homely environment while being readily available to address work-related urgencies.

## **LIST OF OTHER CONSUMABLE ITEMS USED IN THE PRODUCTION**

1. Blaso Grind HC5 oil: It is used in the grinding process as a lubricant and for cooling the process. Grinding of tools happens at very high speed and very high temperature. These oils act as a coolant and lubrication.
2. Packaging materials: These are used to store tools properly, preventing breakage or damage to the produced tools. They typically consist of plastic boxes
3. Diamond cutting tools: These are diamond-coated cutters used to shape and design tools during the grinding process.

## **MARKETING, SALES AND DISTRIBUTION NETWORK**

Every business needs a dedicated marketing and sales plan and our Company is no exception. Our experienced team plays a crucial role in generating new sales orders and expanding our business year after year. This growth is attributed to their strong rapport with customers and the timely, high-quality delivery of our products.

Marketing is an important function of our organisation. Annually our Company prepare and implement a comprehensive sales and marketing plan. Our sales and marketing teams along with our management attended couple of trade fairs, exhibitions to promote our products and understand our customer 's needs.

We avail both direct and indirect channels of sales for selling & marketing our products. We maintain a data base consisting of our existing customers and undertake direct sales efforts centrally from our head office.

Future Marketing Strategy: In future we intend to focus on following marketing strategies:

- Increasing our Geographical reach by entering new countries
- Appointment of Dealers & Agents in developing markets
- Increasing our participation in local trade fairs, exhibitions and by participating in international fairs
- Increasing in spending on advertisement, promotion etc.

## HUMAN RESOURCES

Human resources are the backbone of any industry. We believe that our employees are the key to the success of our business. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill sets, interests, and backgrounds that would be an asset to our business.

Since our domain of the work is highly skewed towards engineering side, we need to have and retain best of the talents having proper knowledge of tools, designing concept and working knowledge of software package. Hence we have regular periodic sessions on re-skilling or to update the skill sets to keep our employees abreast of new advancements. As on the date of this Draft Prospectus, we have 30 employees on payroll (excluding our promoters Mr. Vipul Laljibhai Ghonia and Kamal Laljibhai Ghonia) and we also engage contractual labour as per our operational requirements resulting in fluctuation in the number of contract labour.

We seek to maintain a culture of innovation by empowering our employees at all levels of our organization. Our success depends upon our ability to attract, develop, motivate, and retain highly skilled and multi-dimensional team members.

We provide Employee Provident fund facility to all of our eligible employees. Apart from this, we provide daily to & fro facility from Rajkot or nearby areas to our employees who do not reside in the employee quarters. Also, we keep medical kits and have safety gears for our employees. Also all our eligible employees are covered under group medical insurance.

The employees on our payroll are divided into several categories. The category-wise bifurcation is provided below:

Sr. No	Category of Employees	No. of Employees
1.	Production	11
2.	Quality control and quality assurance	1
2.	Finance/ Accounts	4
3.	Purchase department	1
4.	Field sales	7
5.	Sales and marketing	3
6.	Secretarial	1
7.	Administration/ Managerial & HR	4


Our promoters Mr Vipul Laljibhai Ghonia and Mr. Kamalbhai Laljibhai Ghonia together looks after overall functioning of the company. Mr Vipul Laljibhai Ghonia looks after complete finance part while Mr. Kamalbhai Laljibhai Ghonia looks after technical and production aspect of the business.

Further, we have not experienced any strikes, work stoppages, labour disputes or actions by or with our employees, and we have cordial relations with our employees. For details in relation to the risk involved, see **“Risk Factor -We may be subject to unionization, strikes, work stoppages or increased labour costs, which could adversely affect our business and results of operations”** beginning on page 29.

## EXPORTS OBLIGATIONS

Our Company does not have any Export Obligations as such.

## DETAILS OF INTELLECTUAL PROPERTY

Sr. No	Nature of Registration/ License	Registration/ License No.	Status	Applicable Laws	Issuing Authority
1.	Registration of Trademark  under Class 7	2359094	Registered	Trade Marks Act, 1999	Registrar of Trademarks

### Domain Name

Sr. No	Domain Name	Registry/ Domain ID	Registrant name, IANA ID	Creation Date	Registration Expiry Date
1	<a href="http://www.tixnatools.com">www.tixnatools.com</a>	PDR Ltd. d/b/a PublicDomainRegistry.com	IANA ID, 303	26 <sup>th</sup> June 2012	26 <sup>th</sup> June 2025

Our Company has the domain name 'www.tixnatools.com', registered under its name and. For details in relation to the risk involved, see "**Risk Factor -Some of our domain names are registered in the name of our Promoter. Any dispute with Promoter or other unforeseen circumstance may lead to loss of our online presence which could adversely affect our business.**" beginning on\_\_\_\_\_.

## INSURANCE POLICIES

Sr No.	Policy Type	Insurance Company Name	Policy Number	Items insured	Premium (Amount in Rs.)	Sum Insured (Amount in Lacs)	Expiry Date
<b>Burglary and Fire Insurance Policy</b>							
1.	Burglary, Fire, Money in Safe & Transit and Glasses in Premises Insurance Policy	Tata AIG General Insurance Company Limited	5180112748	Survey no 63/2, Plot No. 2, on Rajkot Gondal Highway at Pipaliya, Tal Gondal-360 311, Dist. Rajkot, Gujarat	80,725/-	3699.40	November 09, 2025
<b>Employees Compensation Insurance Policy</b>							

2.	Employees Compensation Insurance Policy	Tata AIG General Insurance Company Limited	2250029128		27,227/-	7500.00	March 29, 2025
<b>Motor Vehicle Insurance Policy</b>							
3.	Auto Se cure - Private Car Package Policy	Tata AIG General Insurance Company Limited	6202666961 00-00	Toyota / Innova Crysta Chassis No. : MBJJB8EM 3015959860 221	32,694/-	13.26	March 15, 2025

### DETAILS OF IMMOVABLE PROPERTIES

Sr. No.	Date	Seller	License/ Leased/ Owned/ Franchisee	Location of the Property	Purpose
1.	March 20, 2018	Rasikbhai Keshubhai Bodar, Kalpeshbhai Vallabhbhai Tanti, Komalben Vasantbhai Ramani, Jayendrabhai Muljibhai Akbari and Chimanbhai Nanjibhai Hapani	Company Owned	Survey no.63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360 311, Gujarat, India.	Manufacturing facility and registered office

### AWARDS AND CERTIFICATIONS

Our company has recently received an award for its outstanding contribution in “Quality and Excellence”



**INDIA 500 SME Award** for Outstanding contribution in quality and excellence, in realm of customer satisfaction, impact on society through service & management to boost up all. The award was given by INDIA 5000 (Organised and initiated by Benchmark Trust and TQV Private Limited)

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## KEY INDUSTRY REGULATIONS AND POLICIES

*Except as otherwise specified in this Draft Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.*

*Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business of providing precision forging solutions. Taxation statutes such as the Income Tax Act, Central Goods and Services Tax, State Goods and Services Tax, applicable Labour laws, Contractual laws, and Intellectual Property laws, as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.*

*The following description is a summary of the relevant laws, regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been set out in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice.*

*The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “Government and Other Approvals” beginning on page 250 of this Draft Prospectus.*

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

### A. INDUSTRY SPECIFIC LAWS

#### **New Gujarat Industrial Policy 2020 ("the Policy")**

The Policy encourages adoption of new and innovative technologies by providing financial support to each cluster for innovative technology, setting up R&D Institutions, setting up new laboratories, financial support through partial reimbursement of cost for filing domestic patents and international patents. The Government of Gujarat stresses on "Zero Defect" to produce globally-competitive, locally manufactured goods and will make market credit available to MSMEs. One of the expansive marketing practices around the globe is participation in international and domestic trade fairs to show ones products or wares. Quality improvement is strongly envisaged in the new industrial policy. The assistance will be granted by national (approved by quality council of India) and international certification. The policy also intends to encourage use of enterprise resources planning system (“ERP”) for MSMEs. Government of Gujarat also provides assistance for raising capital through SME exchange on one time basis. The main aim of this Act is to facilitate doing business for the MSME sector in the state of Gujarat, an MSME in Gujarat can now start operating upon receipt of an acknowledge certificate from the state nodal agency by submitting the ‘Declaration of Intent’. MSME sector is now exempted from taking various approvals for the first three years. This initiative will smoothen the process of setting up of MSME and this in turn will support employment generation within the state.

#### **The Indian Boilers Act, 1923 (the “Boilers Act”) and the Indian Boiler Regulations, 1950 (the “Boilers Regulations”)**

The Boilers Act provides for, *inter alia*, the safety of life and property of persons from the danger of explosions of steam boilers and regulates the possession of steam boilers. It sets out the requirements for achieving uniformity in registration and inspection during operation and maintenance of boilers in India and provides for various penalties maximum of which is penalty of imprisonment which may extend to two years or with fine which may extend to one lakh rupees, or with both. The Boiler Regulations have been framed under the Boilers Act. The Boiler Regulations, *inter alia*, deal with the materials, procedure and inspection techniques to be adopted for the manufacture of boilers and boiler mountings and fittings, and the safety of persons inside boilers.

#### **Industries (Development and Regulation) Act, 1951 (the “IDR Act”)**

The IDR Act has been liberalized under the New Industrial Policy dated 24 July 1991 and all industrial undertakings are exempt from licensing except for certain industries, including, among others, all types of electronic aerospace,

defence equipment, ships and other vessels drawn by power. The IDR Act is administered by the Ministry of Industries and Commerce through the Department for Promotion of Industry and Internal Trade. The main objective of the IDR Act is to empower the Government to take necessary steps for the development of industries; to regulate the pattern and direction of industrial development; and to control the activities; performance and results of industrial undertakings in the public interest.

### **The Legal Metrology Act, 2009 (the “Metrology Act”)**

The Metrology Act has replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weight & Measurement (Enforcement) Act, 1985. The Legal Metrology Act establishes and enforces standards for information to be shared on an e-commerce platform and the packaging of products. Such standards ensure that the buyer makes a fully informed decision while making the purchase and is therefore applicable to all e-commerce entities in respect of any goods, class of goods or undertakings regarding weight, measure or number. The key features of the Metrology Act include appointment of government-approved test centres for verification of weights and measures, allowing companies to authorize any of its directors to be responsible to ensure that no offence is committed by a company under the Metrology Act. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

### **Micro, Small and Medium Enterprises Development Act, 2006 (the “MSMED Act”)**

The MSMED Act, was enacted to promote and enhance the competitiveness of Micro, Small and Medium Enterprises (“MSME”). A National Board shall be appointed and established by the Central Government for MSME 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, through the Ministry of Micro, Small and Medium Enterprises, has issued a notification dated 1 June 2020 revising definition and criterion and the same came into effect from 1 July 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.

## **B. TAX-SPECIFIC LAWS**

### **Income-tax Act, 1961 (“IT Act”)**

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its Residential Status and types of income involved. As per the provisions of Income Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. Filing of returns of income is compulsory for all assesses. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by 31 December of each assessment year.

### **Goods and Services Tax (the “GST”)**

The GST is applicable on the supply of goods or services as against the present concept of tax on the manufacture and sale of goods or provision of services. It is a destination-based consumption tax. It is dual GST with the Central and State Governments simultaneously levying it on a common tax base. The GST to be levied by the Centre on intra-State supply of goods and / or services is called the Central Goods and Service Tax (“CGST”) as provided by the CGST Act, 2017 and that to be levied by the States is called the State Goods and Services Tax (“SGST”) as provided by the SGST Act, 2017. An Integrated GST (“IGST”) under the IGST Act, 2017 is to be levied and collected by the Centre on inter-State supply of goods and services. The CGST and SGST are to be levied at rates, to be jointly decided by the Centre and States.

Every person liable to take registration under these Acts shall do so within a period of 30 days from the date on which he becomes liable to registration. The Central/State authority shall issue the registration certificate upon receipt of application. The Certificate shall contain fifteen-digit registration numbers known as Goods and Service Tax Identification Number (GSTIN). In case a person has multiple business verticals in multiple locations in a state, a separate application will be made for registration of each location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon.

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### **Professional Tax**

The Professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax.

The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages are paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrollment from the assessing authority.

### **The Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made thereunder are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e., taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an Importer Exporter Code.

## **C. INTELLECTUAL PROPERTY LAWS**

Intellectual Property in India enjoys protection under both common law and statute. Under the statutes, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement. The Intellectual Property Rights includes but is not limited to the following enactments:

### **The Trade Marks Act, 1999 (the “Trademarks Act”)**

The Trademarks Act governs the statutory protection of trademarks and prohibits any registration of deceptively similar trademarks, among others. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Indian law permits the registration of trademarks for both goods and services. Applications for a trademark registration may be made for in one or more classes. Once granted, trademark registration is valid for ten years unless cancelled.

## **D. GENERAL LEGISLATIONS**

### **The Companies Act, 2013 (“Companies Act”)**

The Companies Act, 2013 has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29 August 2013. At present almost all the provisions of this law have been made effective except a very few. The Ministry of Corporate Affairs has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of separate legal entity as Companies. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors.

In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

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

The Competition Act, 2002 prohibits 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. Combinations which are likely cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the



combination jointly in case of a merger or amalgamation.

### **The Sale of Goods Act, 1930 (the “Sales Act”)**

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

### **The Registration Act, 1908 (“Registration Act”)**

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

### **The Indian Contract Act, 1872 (“Contract Act”)**

The Contract Act codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act also provides for circumstances under which contracts will be considered as void or voidable. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

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

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

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

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

### **Arbitration and Conciliation Act, 2015 (the “Arbitration Act”)**

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

## **E. FOREIGN REGULATIONS**

### **The Foreign Trade (Development and Regulation) Act, 1992 (the “FTA”)**

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. FTA read with the Indian Foreign Trade Policy provides that no

export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

### **Foreign Exchange Management Act, 1999 (the “FEMA”)**

When a business enterprise imports goods from other countries, exports its products to them or makes investments abroad, it deals in foreign exchange. The FEMA was enacted to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA extends to whole of India. This Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention committed thereunder outside India by any person to whom the Act is applies. The Act has assigned an important role to the Reserve Bank of India in the administration of FEMA.

## **F. LABOUR RELATED LEGISLATIONS**

In addition to the abovementioned material legislations which are applicable to our Company, other labour related legislations that may be applicable to the operations of our Company include the following:

- Child Labour (Prohibition and Regulation) Act, 1986;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees’ State Insurance Act, 1948;
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Equal Remuneration Act, 1976;
- Payment of Gratuity Act, 1972;
- Minimum Wages Act, 1948;
- Employee’s Compensation Act, 1923;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013
- Apprentices Act, 1961;
- Industrial Disputes Act, 1947 and the Industrial Disputes (Central) Rules, 1957;
- Employee’s Compensation Act, 1923;
- The Maternity Benefit Act, 1961;
- The Interstate Migrant Workmen Act, 1979;
- Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996.
- The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001; and
- Industrial Employment (Standing Orders) Act, 1946;

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

- (i) The ***Industrial Relations Code, 2020*** received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government. It consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes.
- (ii) The ***Code on Wages, 2019*** received the assent of the President of India on August 8, 2019 and proposes to subsume 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 employees. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board. Through its notification dated December 18, 2020, the Government of India brought into force sections 42(1), 42(2), 42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the Government of India) and 8 of the Minimum Wages Act, 1986) of the Code on Wages, 2019.
- (iii) The ***Occupational Safety, Health and Working Conditions Code, 2020*** received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen

(Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. It replaces 13 old central labour laws.

- (iv) The ***Code on Social Security, 2020*** received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing social security related legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provision concerning application of Aadhaar has already been notified by the Central Government. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund 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.

## **G. ENVIRONMENTAL LAWS**

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

The Environment Act has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per this Act, 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. The draft Environment (Protection) Amendment Rules, 2020 provide for regulations on use of membrane-based water purification system which, if passed, shall be applicable to all filtration-based purification or wastewater treatment system, where polymer-based membrane is used and discarded at the end of its life.

### **National Environmental Policy, 2006 (the "NEP")**

This NEP seeks to extend the coverage, and fill in gaps that still exist, considering present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of the National Environmental Policy:

1. Conservation of Critical Environmental Resources
2. Intra-generational Equity: Livelihood Security for the Poor
3. Inter-generational Equity
4. Integration of Environmental Concerns in Economic and Social Development
5. Efficiency in Environmental Resource Use
6. Environmental Governance
7. Enhancement of resources for Environmental Conservation.

### **Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")**

The Air Act is a law passed by the Parliament of India to prevent and control the harmful effects of air pollution in India. The Act established the Central Pollution Control Board ("CPCB") and State Pollution Control Boards ("SPCBs"). The CPCB and SPCBs work to implement the provisions of the Act. The Act also prohibits the emission of air pollutants from various sources. In accordance with the provisions of the Air Act, any person establishing or operating an industrial plant in an air pollution control area must apply in a prescribed form and obtain consent from the state pollution control board prior to commencing any activity.

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

The Water (Prevention and Control of Pollution) Act was enacted in 1974 to provide for the prevention and control of water pollution, and for the maintaining or restoring of wholesomeness of water in the country. The Water Act also provides for the establishment of boards with a view to carrying out the aforesaid purposes for conferring on and assigning to such boards powers and functions relating thereto. Further, any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant SPCB.

### **The Plastic Waste Management Rules, 2016**

Plastic has multiple uses and the physical and chemical properties lead to commercial success. However, the indiscriminate disposal of plastic has become a major threat to the environment. In particular, the plastic carry bags are the biggest contributors of littered waste and every year, millions of plastic bags end up into the environment vis-a-vis soil, water bodies, water courses, etc. and it takes an average of one thousand years to decompose completely. In view thereof, the Plastic Waste Management Rules, 2016 was enacted (a) to bring in the responsibilities of producers and generators, both in plastic waste management system and to introduce collect back system of plastic waste by the producers/brand owners, as per extended producers responsibility; (b) to introduce collection of plastic waste management fee through pre-registration of the producers, importers of plastic carry bags/multilayered packaging and vendors selling the same for establishing the waste management system; (c) to promote use of plastic waste for road construction as per Indian road congress guidelines or energy recovery, or waste to oil etc. for gainful utilization of waste and also address the waste disposal issue; and (d) to entrust more responsibility on waste generators, namely payment of user charge as prescribed by local authority, collection and handing over of waste by the institutional generator and event organizers.

### **Solid Waste Management Rules, 2016**

The Solid 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 Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)**

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The Hazardous Waste Rules prescribes for every person who is engaged in generation, treatment, processing, packaging, storage, transportation, use, collection, destruction, conversion, recycling, offering for sale, transfer or the like of hazardous and other wastes to obtain an authorization from the relevant state pollution control board. The Rules lay down corresponding duties of various authorities such as Ministry of Environment, Forest and Climate Change of India, Central Pollution Control Board, Central/State/Union Territory Governments, State Pollution Control Boards/ Pollution Control Committees, Port Authority and Custom Authority while State Pollution Control Boards/ Pollution Control Committees have been designated with wider responsibilities touching across almost every aspect of Hazardous wastes generation, handing and their disposal.

### **The Public Liability Insurance Act, 1991 (the “PLI Act”)**

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances has been enumerated in The Environment Protection Act, 1986 and Hazardous and other Wastes (Management & Transboundary Movement) Rules, 2016. The owner or handler is also required to obtain an insurance policy insuring against liability under the legislation. The rules made under the PLI Act mandate that the owner has to contribute towards the environmental relief fund a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

## **H. OTHER APPLICABLE LAWS**

### **Electricity Act, 2003 (the “Electricity Act”)**

The Electricity Act was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorizing a person to carry on the above acts either by availing a license or by seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days’ notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police, as the case may be containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorizes the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorizes the State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid. The Electricity Act also states the mechanism for seeking judicial relief by setting up an Appellate Tribunal and laying down the process to seek justice against the orders of the Commission

established under the Electricity Act.

### **Consumer Protection Act, 2019 (the “COPRA”)**

The Ministry of Consumer Affairs notified certain sections of the COPRA by way of the notification dated July 15, 2020 (with effect from July 20, 2020), while certain other provisions of the Act like establishing the Central Consumer Protection Authority came into effect from 24 July 2020. The COPRA includes sections regulating the formation and functioning of the Consumer Protection Council at the national, state and district levels, the formation and functioning of Consumer Dispute Redressal Commissions at the national, state and district levels, mediation of consumer disputes, product liability actions and punishment for manufacturing for sale or storing, selling or distributing or importing products containing adulterants and spurious goods.

The COPRA provides a mechanism for the consumer to file a complaint against a product manufacturer, seller or service provider in cases of unfair contract or trade practices, restrictive trade practices, defected goods, goods which are hazardous or likely to be hazardous to life being sold in contravention to safety standards, deficiency in services and price charged being unlawful. It also places product liability on a manufacturer or product service provider or product seller, to compensate for any harm caused by defective product or deficiency in services. It provides for a three-tier consumer grievance redressal mechanism at the national, state and district levels. Noncompliance of the orders of the redressal commissions attracts criminal penalties. The COPRA has, *inter alia*, also introduced a Central Consumer Protection Authority to regulate matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements, which are prejudicial to the interests of public and consumers and promote, protect and enforce the rights of consumers.

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## OUR HISTORY AND CERTAIN CORPORATE MATTERS

### COMPANY'S BACKGROUND

Our Company was originally incorporated as a Public limited company in the name of “Shining Tools Limited” on May 01, 2013, pursuant to the provisions of the Companies Act, 2013, and was granted a certificate of incorporation dated May 01, 2013, by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. For information on our Company’s profile, activities, market, service, etc., market of each segment, standing of our Company in comparison with prominent competitors, with reference to its services, management, managerial competence, technology, market, major suppliers and customers, environmental issues, geographical segment, etc. wherever applicable, please refer to chapters titled “*Our Business*”, “*Industry Overview*”, “*Restated Financial Statements*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” and “*Government and Other Approvals*” beginning on page 127, 113, 187, 233 and 250 respectively.

### CHANGES IN THE REGISTERED OFFICE

The registered office address of the company has been changed for two times since the date of incorporation. The details of changes in registered office address of the company is as follows:

Effective Date of change of Registered Office	Details of the address of Registered Office	Reason for change
March 02, 2015	The Registered Office of our Company was changed from City Survey Ward No. 7, Survey No. 5906 paiki 10, Samrat Industrial Area, Gondal Road, Rajkot-360002, Gujarat TO Survey No. 17, Plot No. 26, 1 rani industries area, B/h parin furniture, Vavdi, Rajkot-360001, Gujarat.	Administrative convenience
May 16, 2019	The Registered Office of our Company was changed from Survey No. 17, Plot No. 26, 1 rani industries area, B/h parin furniture, Vavdi, Rajkot-360001, Gujarat TO Survey No.63/2, Plot No. 2, Rajkot-Gondal Highway, At: Pipaliya, Tal: Gondal, Dist.: Rajkot-360311, Pipaliya, Gujarat.	Setting up for new project

### MAIN OBJECTS OF OUR COMPANY

The main objects contained in our Memorandum of Association are as follows:

1. To manufacture, refurbish, process, sale, resale, assemble, fabricate, erect, purchase, process, design, develop, distribute, promote, import, export, trade and otherwise deal in, solely or through agents, dealers, franchisees, all kinds of Machining Tools & Engineering Goods, equipment, implements, apparatus and deal in its spare parts, components, implements, articles, auxiliaries and accessories.
2. To carry on the business of manufacturing, buying, selling, reselling, sub-contracting, exchanging, hiring, altering importing, exporting, improving, assembling, distributing, servicing, repairing, dealing, in as original Tools, equipment, manufacturer as also on a jobbing industry basis and in any

other capacity all and very kind of Engines, Machineries, component parts, replacement parts, spare parts, accessories, tools implement and fitting of all kinds metals & non-metal goods, casting, forging and foundry, investment casting, sand casting, inclusive of all types of ferrous and non-ferrous metals.

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Set out below are the amendments to the Memorandum of Association of our Company since its incorporation:

Date of Shareholders' Resolution / Effective date	Details of the modifications
September 23, 2013	Memorandum of Association of our Company was amended to reflect the increase in our authorized share capital from Rs, 5,00,000 ( <i>Rupees Five Lakhs</i> ) to Rs 75,00,000 ( <i>Rupees Seventy-five Lakhs</i> )
July 11, 2016	Memorandum of Association of our Company was amended to reflect the increase in our authorized share capital from Rs.75,00,000 ( <i>Rupees Seventy-five Lakhs</i> ) to Rs 1,10,00,000 ( <i>Rupees One Crore Ten Lakhs</i> )
February 19, 2020	Memorandum of Association of our Company was amended to reflect the increase in our authorized share capital from Rs 1,10,00,000 ( <i>Rupees One Crore Ten Lakhs</i> ) to Rs 2,00,00,000 ( <i>Rupees Two crore</i> )
October 5, 2021	Memorandum of Association of our Company was amended to reflect the increase in our authorized share capital from Rs 2,00,00,000 ( <i>Rupees Two crore</i> ) to Rs 5,00,00,000 ( <i>Rupees Five crore</i> )
September 14,2024	Memorandum of Association of our Company was amended to reflect the increase in our authorized share capital from Rs. 5,00,00,000 ( <i>Five crore</i> ) to Rs. 6,50,00,000 ( <i>Six crore fifty lakh</i> )

## MAJOR EVENTS AND MILESTONES OF OUR COMPANY

Year	Particulars
2013	Incorporation of the Company in the name of Shining Tools Limited and commenced the manufacturing of Solid Carbide Tools at City Survey Ward No. 7, Survey No. 5906 paiki, 10, Samrat Industrial Area, Gondal Road, Rajkot - 360002, Gujarat, INDIA. Company has launched its products under the brand "TIXNA"
2018	Company has acquired land at admeasuring 1603.27 Survey no.63/2, Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gondal, Rajkot-360311, Gujarat, India. For its manufacturing facility.
2019	Company had constructed the factory building of 1945.86 sq. mtr.
2020	Started production at the company owned new Manufacturing Facility

2022	Received certification for ISO 9001:2015 for Manufacturing and Supply of Solid Carbide Cutting Tools from TÜV SÜD South Asia Pvt Ltd.
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## KEY AWARDS, ACCREDITATIONS, CERTIFICATION OR RECOGNITION

Year	Key Awards, Accreditations, Certification or Recognition
2024	<b>INDIA 500 SME Award</b> for Outstanding contribution in quality and excellence, in realm of customer satisfaction, impact on society through service & management to boost up all. The award given by INDIA 5000 (Organised and initiated by Benchmark Trust and TQV Private Limited)

## STRATEGIC AND FINANCIAL PARTNERS

As on the date of this Draft Prospectus, our Company does not have any significant financial or strategic partners. Apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

## TIME AND COST OVERRUN

As on the date of this Draft Prospectus, there have been no time and cost overruns in any of the projects undertaken by the company.

## LAUNCH OF KEY PRODUCTS, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS

For details of key products launched by our Company, capacity/ facility creation, location of our Manufacturing Facility and entry into new geographies or exit from existing markets, see “**Our Business**” and “**Major events and milestones of our Company**” beginning on pages 127 and 158.

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

There have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/banks in relation to our Company.

## DETAILS REGARDING MATERIAL ACQUISITIONS OR DIVESTMENTS OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION OR ANY REVALUATION OF ASSETS, IN THE LAST TEN YEARS

The Company has not acquired or divested any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in last ten years.

## HOLDING COMPANY

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

## SUBSIDIARIES OF OUR COMPANY

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



## **JOINT VENTURES OF OUR COMPANY**

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

## **SHAREHOLDERS AND OTHER AGREEMENTS**

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

## **AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTERS OR ANY OTHER EMPLOYEE OF THE COMPANY**

There are no agreements entered into by our 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 other subsisting material agreement, including with strategic partners or financial partners, other than in the ordinary course of business except as mentioned under chapter titled "**Material Contracts and Documents for Inspection**" on page 391.

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## OUR MANAGEMENT

Our Board of Directors presently consists of Six (6) Directors including Two (2) Executive Directors, 1 (One) Non-Executive Director and 3 (Three) are Independent Directors. The present composition of our Board of Directors and its committees are in accordance with the Companies Act, 2013 and SEBI Listing Regulations to the extent applicable.

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

Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Designation	Other Directorships
<p><b>Vipulbhai Laljibhai Ghonia</b>  <b>Date of Birth:</b> March 29, 1974  <b>Age (Years):</b> 50 Years  <b>Address:</b> Prem Raj, 06-Alka Society, B/h Vishveshwar Temple, Mavdi main road, Rajkot-360004, Gujarat, India.  <b>Occupation:</b> Business  <b>Term:</b> Five Years from November 07, 2024  <b>Period of directorship:</b> Since May 01, 2013  <b>DIN:</b> 06511100</p>	<p>Chairman and Managing Director w.e.f. November 07, 2024</p>	<p>1. Indian Companies Nil  2. Limited Liability Partnerships Nil  3. Foreign Companies Nil</p>
<p><b>Kamalbhai Laljibhai Ghonia</b>  <b>Date of Birth:</b> June 08, 1978  <b>Age (Years):</b> 46 Years  <b>Address:</b> Prem Raj, 06-Alka Society, B/h Vishveshwar Temple, Mavdi main road, Rajkot-360004, Gujarat, India.  <b>Occupation:</b> Business  <b>Term:</b> Five Years from November 07, 2024  <b>Period of directorship:</b> Since May 01, 2013  <b>DIN:</b> 06511096</p>	<p>Whole Time Director w.e.f. November 07, 2024</p>	<p>1. Indian Companies Nil  2. Limited Liability Partnerships Nil  3. Foreign Companies Nil</p>
<p><b>Kiranben Vipulbhai Ghonia</b>  <b>Date of Birth:</b> April 25, 1977  <b>Age (Years):</b> 47 Years  <b>Address:</b> Prem Raj, 06-Alka Society, B/h Vishveshwar Temple, Mavdi main road, Rajkot-360004, Gujarat, India.  <b>Occupation:</b> Service  <b>Term: Retire by rotation</b>  <b>Period of directorship:</b> Since March 21, 2024  <b>DIN:</b> 08510856</p>	<p>Non-Executive Director</p>	<p>1. Indian Companies  <ul style="list-style-type: none"> <li>• Relix International Private Limited</li> </ul> 2. Limited Liability Partnerships Nil  3. Foreign Companies Nil</p>
<p><b>Shyam Bhadresh Kapadia</b>  <b>Date of Birth:</b> April 10, 1991  <b>Age (Years):</b> 33 Years  <b>Address:</b> 32, Aagam Heritage, Near Someshwara Enclave, University Road, Surat-395007, Gujarat, India.  <b>Occupation:</b> Professional  <b>Term:</b> Five Years  <b>Period of directorship:</b> Since November 07, 2024  <b>DIN:</b> 10672090</p>	<p>Independent Director</p>	<p>1. Indian Companies  <ul style="list-style-type: none"> <li>• Curis Lifesciences Limited</li> <li>• Aten Papers &amp; Foam Limited</li> <li>• Accretion Pharmaceuticals Limited</li> <li>• Riddhi Display Equipments Limited</li> </ul> 2. Limited Liability Partnerships</p>

		Nil 3. Foreign Companies Nil
<b>Grishma A Shewale</b> <b>Date of Birth:</b> June 20, 1992 <b>Age (Years):</b> 32 Years <b>Address:</b> 9, Ashirwad Society, Vadodara-390019, Gujarat, India. <b>Occupation:</b> Professional <b>Term:</b> Five Years <b>Period of directorship:</b> Since November 07, 2024 <b>DIN:</b> 10685826	Independent Director	1. Indian Companies <ul style="list-style-type: none"> <li>• Curis Lifesciences Limited</li> <li>• Accretion Pharmaceuticals Limited</li> <li>• Riddhi Display Equipments Limited</li> </ul> 2. Limited Liability Partnerships Nil 3. Foreign Companies Nil
<b>Chand Rameshbhai Kanabar</b> <b>Date of Birth:</b> September 11, 1995 <b>Age (Years):</b> 29 Years <b>Address:</b> Meghana Society, opp. Bal bhavan, Keshod- 362220, Gujarat, India. <b>Occupation:</b> Professional <b>Term:</b> Five Years <b>Period of directorship:</b> Since November 07, 2024 <b>DIN:</b> 10706050	Independent Director	1. Indian Companies <ul style="list-style-type: none"> <li>• Curis Lifesciences Limited</li> <li>• Golden Sparrow Consultancy Private Limited</li> <li>• Riddhi Display Equipments Limited</li> </ul> 2. Limited Liability Partnerships Nil 3. Foreign Companies Nil

## ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS

None of our Directors or members of Senior Management have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. For details, please see "History and Certain Corporate Matters" on page 158 of this Draft Prospectus.

## BRIEF PROFILE OF OUR DIRECTORS

### Vipulbhai Laljibhai Ghonia, Chairman and Managing Director

Vipulbhai Laljibhai Ghonia, aged 50 years, is the Promoter, Chairman, and Managing Director of our Company. He is matriculated from Gujarat Secondary Education Board 1993. Vipulbhai Laljibhai Ghonia was initially appointed as an Executive Director under promoter category since incorporation i.e. 01 May, 2013. Thereafter, pursuant to the approval of shareholder in the Extra ordinary General meeting dated December 19, 2024 his designation was changed and appointed as Chairman and Managing Director of the company. Mr. Vipul has played a pivotal role in the growth and success of the company having experience of more than 10 years of which includes managing routine financial operations, fostering client relationships, overseeing HR processes and committed to streamlining operations and enhancing organisational performance.

### Kamalbhai Laljibhai Ghonia, Whole Time Director

Kamalbhai Laljibhai Ghonia, aged 46 years, is the Promoter and Whole-Time Director of our Company. He has completed his Higher Secondary education in the year 1997 from Gujarat Higher Secondary Education Board, followed by Bachelor of Arts from Saurashtra University, Rajkot, Gujarat in the year 2000. He has been associated with our Company since its incorporation i.e. 01 May, 2013 as an Executive Director and Promoter of the company. Thereafter, pursuant to the approval of shareholder in the Extra-ordinary General meeting dated December 19, 2024 his designation was changed and appointed as Whole Time Director of the company. Mr. Kamalbhai Laljibhai Ghonia has over 10 years of experience in the field of conventional machining, product designing, geometry development for machining applications, and tools grinding techniques he has been associated with our company since its incorporation. He has played a key role in the company's growth and success, leveraging his vast knowledge in CNC milling operations, process optimization, and development of innovative tool geometries. His expertise has been instrumental in enhancing machining applications and improving overall operational efficiency, contributing significantly to the company's progress and achieving new milestones in the industry.

### **Kiranben Vipulbhai Ghonia, Non-Executive Director**

Kiranben Vipulbhai Ghonia, aged 47 years, is the Promoter and Non-Executive Director of our Company. She has completed her Bachelor of home science from Saurashtra University, Rajkot, Gujarat in the year 1998. She was appointed as Non-Executive Director of the company in the Extra-ordinary General meeting held on March 21, 2024. With over 10 years of experience in customer relationship management, human resource management, and team leadership and development, she brings a wealth of expertise to the company.

### **Shyam Bhadresh Kapadia, Independent Director**

Shyam Bhadresh Kapadia, aged 33 years, serves as an Additional Independent Director of our Company. He was appointed as an additional Independent director pursuant to the approval of board in the board meeting held on November 07, 2024 till the ensuing Annual General meeting. His designation has been changed from Additional **Independent Director to Independent Director with effect from** December 19, 2024. Mr. Kapadia completed his Bachelor of Commerce in the year 2013 and his Bachelor of Laws in 2017 from Veer Narmad South Gujarat University. Additionally, he became an Associate Member of The Institute of Company Secretaries of India (ICSI) in 2018, further enhancing his expertise in corporate governance and compliance.

With over 5 years of experience in the legal and regulatory domain, he has gained significant knowledge and hands-on expertise in handling matters related to the Insolvency and Bankruptcy Code (IBC), National Company Law Tribunal (NCLT), Intellectual Property, legal drafting, and stock exchange compliances. He has also served as a Compliance Officer for listed entities, overseeing and ensuring adherence to various regulatory requirements.

### **Grishma A Shewale, Independent Director**

Grishma A Shewale, aged 32 years, serves as an Additional Independent Director of our Company. She was appointed as additional Independent director pursuant to the approval of board in the board meeting held on November 07, 2024 till the ensuing Annual General meeting. Her designation has been changed from Additional **Independent Director to Independent Director with effect from** December 19, 2024. Ms. Grishma has completed her Master of Commerce from Sardar Patel University in the year 2014 and her Bachelor of Laws in 2016 from Maharaja Sayajirao University of Baroda. Additionally, she became an Associate Member of The Institute of Company Secretaries of India (ICSI) in 2015, further enhancing her expertise in corporate governance and compliance.

With over 6 years of experience as company secretary and compliance officer in NBFC's and Public Limited she handled various compliance related work including assisting secretarial audits, Due diligence, RBI compliances related to NBFC's etc.

### **Chand Rameshbhai Kanabar, Independent Director**

Chand Rameshbhai Kanabar, aged 29 years, is an Additional Independent Director of our Company. He was appointed as additional Independent director pursuant to the approval of board in the board meeting held on November 07, 2024 till the ensuing Annual General meeting. His designation has been changed from Additional **Independent Director to Independent Director with effect from** December 19, 2024. He completed his Bachelor of Commerce in 2015, followed by a Master of Commerce in 2019, both from Saurashtra University, Rajkot, Gujarat. In addition, Mr. Chand passed the intermediate level examination conducted by the Institute of Chartered Accountants of India in 2017, enhancing his expertise in accounting and financial regulations.

With more than 10 years of professional experience Mr. Chand has worked in various roles, including as an Audit Assistant compliance with accounting regulations, internal policies, budgeting, and financial planning processes.

### **RELATIONSHIP BETWEEN OUR DIRECTORS, KEY MANAGERIAL PERSONNEL**

Except as disclosed below, there is no relationship between any of the Directors, Key Managerial Personnel and Senior Management of our Company as on date of filling of Draft Prospectus:

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Relationship with Director</b>
1.	Vipulbhai Laljibhai Ghonia	Chairman & Managing Director	1. He is the spouse of Ms. Kiranben Vipulbhai Ghonia who is Non-Executive Director of the Company. 2. He is the brother of Mr. Kamalbhai Laljibhai Ghonia who is Whole Time Director of the company.

2.	Kamalbhair Laljibhai Ghonia	Whole Time Director	1. He is the brother of Mr. Vipulbhair Laljibhai Ghonia who is Chairman & Managing Director of the company.
3.	Kiranben Vipulbhair Ghonia	Non-Executive Director	1. She is the spouse of Mr. Vipulbhair Laljibhai Ghonia who is Chairman & Managing Director of the Company.

#### SERVICE CONTRACTS ENTERED INTO BY DIRECTORS

We have not entered into any service agreement or formal employment agreement with any of our Directors. The terms of appointment and remuneration of our Directors are determined by way of our Board of Directors and shareholders by approving their appointment.

#### REMUNERATION/COMPENSATION OF MANAGING DIRECTOR AND EXECUTIVE DIRECTOR

The compensation payable to our Directors is governed as per the terms of their appointment and is subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act read with Schedule V to the Companies Act and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force).

#### TERMS OF APPOINTMENT OF OUR MANAGING DIRECTOR AND WHOLE TIME DIRECTORS ARE AS FOLLOWS: -

The following table sets forth the terms of appointment of Vipulbhair Laljibhai Ghonia as Chairman and Managing Director as resolved in the Extra- ordinary General Meeting held on 19<sup>th</sup> December, 2024.

SR. NO.	PARTICULARS	SALARY AND PERQUISITES
1.	Remuneration	Upto ₹12 lakhs per annum with such annual increments/increase as may be decided by our Board of Directors from time to time
2.	Perquisites and Benefits	He shall be eligible to contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961); gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and encashment of leave at the end of the tenure. He shall be entitled to the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and the reimbursement of travelling, board and lodging during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.
3.	Terms of Appointment	3 years
4.	Current Designation	Chairman and Managing Director

The following table sets forth the terms of appointment of Mr. Kamalbhair Laljibhai Ghonia as Whole time director as resolved in the Extra- ordinary General Meeting held on 19<sup>th</sup> December, 2024.

SR. NO.	PARTICULARS	SALARY AND PERQUISITES
1.	Remuneration	Upto ₹ 12 lakhs per annum with such annual increments/increase as may be decided by our Board

		of Directors from time to time
2.	Perquisites and Benefits	<p>a) He shall be eligible to contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961);</p> <p>b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and</p> <p>c) encashment of leave at the end of the tenure.</p> <p>d) He shall be entitled to the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and</p> <p>e) the reimbursement of travelling, board and lodging during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.</p>
3.	Terms of Appointment	3 years
4.	Current Designation	Whole-Time Director

The following table sets forth the details of the remuneration/ compensation paid by our Company to our Executive Directors for the last FY 2023-24 is as follows:

Sr. No.	Name of Directors	Remuneration
1.	Vipulbhai Laljibhai Ghonia	₹12.00 lakhs
2.	Kamalbhai Laljibhai Ghonia	₹12.00 lakhs

#### **SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS**

Pursuant to the Resolution passed by the Board of Directors of our Company on 7<sup>th</sup> November 2024, the Non-Executive Directors including Independent Directors appointed or to be appointed of our Company would be entitled to a sitting fee of ₹10,000/- for attending every meeting of Board and ₹5,000/- for attending every meeting of Committees with effect from 7<sup>th</sup> November, 2024 for attending every meeting of Board and committees thereof.

#### **PAYMENT OF BENEFITS (NON-SALARY RELATED)**

Except as disclosed above, no amount or benefit has been paid or given within the 2 (two) years preceding the date of filing of this Draft Prospectus or is intended to be paid or given to any of our Directors except the remuneration for services rendered and/or sitting fees as Directors.

#### **REMUNERATION PAID OR PAYABLE TO OUR DIRECTORS FROM OUR SUBSIDIARIES OR ASSOCIATE COMPANY**

As on the date of this Draft Prospectus, our Company does not have any subsidiary or associate company. As such, our Directors do not receive any remuneration from any subsidiary or associate company.

#### **BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS**

As on the date of this Draft Prospectus, our Company does not have any bonus or profit-sharing plan for the Directors.

#### **APPOINTMENT OF RELATIVES OF OUR DIRECTORS TO ANY OFFICE OR PLACE OF PROFIT**

As on the date of this Draft Prospectus, except following No other relatives of our Directors currently hold office or place of profit in our Company.

Sr. No.	Name of the promoter	Designation	Relationship
1.	Vipulbhai Laljibhai Ghonia	Chairman & Managing Director	1. He is spouse of Ms. Kiranben Vipulbhai Ghonia who is Non-Executive Director of the Company. 2. He is brother of Mr. Kamalbhai Laljibhai Ghonia who is Whole Time Director of the company.
2.	Kamalbhahi Laljibhai Ghonia	Whole Time Director	1. He is brother of Mr. Vipulbhai Laljibhai Ghonia who is Chairman & Managing Director of the company.
3.	Kiranben Vipulbhai Ghonia	Non-Executive Director	1. She is spouse of Mr. Vipulbhai Laljibhai Ghonia who is Chairman & Managing Director of the Company.

### SHAREHOLDING OF DIRECTORS

Our Articles of Association do not require our Directors to hold any qualification shares.

Other than our Promoters who are also our Directors, none of our Directors hold any Equity Shares as on the date of this Draft Prospectus. For further details, please refer to "**Capital Structure - The aggregate shareholding of the Promoters and Promoter group**" on page 74 this Draft Prospectus.

Except as detailed below, none of our Directors hold Equity Shares in our Company as on the date of this Draft Prospectus.

Sr. No.	Name of Directors	Designation	No. of Equity Shares held	Percentage of pre-offer equity share capital
1.	Vipulbhai Laljibhai Ghonia	Chairman & Managing Director	6,65,660	16.01%
2.	Kamalbhahi Laljibhai Ghonia	Whole Time Director	6,66,160	16.02%
3.	Kiranben Vipulbhai Ghonia	Non-Executive Director	6,66,670	16.03%

### CONTINGENT AND/OR DEFERRED COMPENSATION PAYABLE TO OUR DIRECTORS

Except as disclosed under "*Our Management – Terms of appointment of our Managing Director & Executive Director*" on page 162 of this Draft Prospectus there are no contingent or deferred compensation payable to our Executive Director which does not form part of his remuneration.

### BORROWING POWERS OF THE BOARD OF DIRECTORS

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on November 16, 2024 and pursuant to provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company are authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained/to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of ₹ 25 crores.

### INTEREST OF DIRECTORS

Our Executive Directors may be deemed to be interested to the extent of remuneration payable to them & our Non-Executive Director and Independent Directors may be deemed to be interested to the extent of fees payable to them

for attending meetings of our Board or committees thereof and our Directors may also be interested to the extent of reimbursement of expenses payable to them, in our Company.

Our Directors may be interested to the extent of Equity Shares, if any, held by them, or held by the entities in which they are associated as partners, or that may be subscribed by or allotted to the companies, firms, ventures, trusts, if any, in which they are interested as promoters, directors, partners, proprietors, members or trustees and any dividend and other distributions payable in respect of such Equity Shares.

None of our Directors have availed any loan from our Company except as stated in Related Party Transaction in Restated Financial Statement.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or to qualify him/ her as a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

### **INTEREST IN PROPERTY**

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company except plant & machinery acquired from proprietorship of director and proprietorship of wife of director (For more detail, refer page no. ANNEXURE – XXXVI-DETAILS OF RELATED PARTY TRANSACTION AS RESTATED.

For further details, see "*Properties*" under the chapter titled "*Our Business*" and "*Restated Financial Statements*" on page 127 and 187, respectively, of this Draft Prospectus.

### **INTEREST IN PROMOTION OR FORMATION OF OUR COMPANY**

Except Vipulbhai Laljibhai Ghonia and Kamalbhai Laljibhai Ghonia being the Promoters of our Company, none of our other Directors have any interest in the promotion of our Company other than in ordinary course of business. For further details regarding our promoters, see "*Our Promoter and Promoter Group*" on page 180 of this Draft Prospectus.

### **BUSINESS INTEREST**

Except as stated in the sections titled "*Restated Financial Statements – Annexure 34 – Related Party Transactions*" on page 187 of this Draft Prospectus, our Directors do not have any other business interest in our Company.

### **CONFIRMATION**

As on the date of the Draft Prospectus:

- A. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
  - B. None of the Promoters, 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 Prospectus.
  - E. None of Promoters or Directors of our Company is 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.
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## CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of Director	Date of Event	Nature of Event	Reason for the changes in the board
Late Laljibhai Keshavbhai Ghoniya	May 29, 2024	Resignation	Resigned from the post of Director with effect from May 29, 2024 due death.
Kiranben Vipulbhai Ghonia	March 21, 2024	Appointment	Appointed as Non-Executive Director with effect from March 21, 2024
Vipulbhai Laljibhai Ghonia	November 07, 2024	Change in Designation	Change in Designation to Chairman and Managing Director with effect from November 07, 2024
Kamalbhai Laljibhai Ghonia	November 07, 2024	Change in Designation	Change in Designation to Whole Time Director with effect from_ November 07, 2024
Shyam Bhadresh Kapadia	December 19, 2024	Change in Designation	Change in Designation to Independent Director with effect from December 19, 2024
Grishma A Shewale	December 19, 2024	Change in Designation	Change in Designation to Independent Director with effect from December 19,
Chand Rameshbhai Kanabar	December 19, 2024	Change in Designation	Change in Designation to Independent Director with effect from December 19,

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act with respect to the corporate governance, provisions of the SEBI LODR Regulations to the extent applicable to the entity whose shares are listed on the SME Exchange, we are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

As on date of this Draft Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirements specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 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 (Listing Obligations and Disclosures Requirement) Regulations, 2015 are not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavours to comply with the good Corporate Governance and accordingly certain exempted regulations have been compiled by our Company.

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, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

## COMPOSITION OF BOARD OF DIRECTORS

Currently our Board consists of 6 (Six) Directors, out of which 2 (Two) are Executive Directors, 1 (One) is Non-Executive Non Independent Director and 3 (Three) are Independent Directors.

Composition of Board of Directors is set forth in the below mentioned table:

Sr. No.	Name of Directors	Designation	DIN
1.	Mr. Vipulbhai Laljibhai Ghonia	Chairman and Managing Director	06511100
2.	Mr. Kamalbhai Laljibhai Ghonia	Whole-Time Director	06511096
3.	Ms. Kiranben Vipulbhai Ghonia	Non-Executive Director	08510856
4.	Mr. Shyam Bhadresh Kapadia	Independent Director	10672090
5.	Ms. Grishma A Shewale	Independent Director	10685826
6.	Mr.Chand Rameshbhai Kanabar	Independent Director	10706050

## CONSTITUTION OF COMMITTEES

Our company has constituted the following Committees of the Board;

- 1. Audit Committee**
- 2. Nomination and Remuneration Committee**
- 3. Stakeholder Relationship Committee**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder:

**1. Audit Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, read with SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, as applicable, in its meeting held on November 16, 2024 constituted the Audit Committee of its Board of Directors.

The constitution of the Audit Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Vipulbhai Laljibhai Ghonia	Chairperson and Managing Director	Managing Director
Shyam Bhadresh Kapadia	Independent Director	Non Executive Director
Grishma A Shewale	Independent Director	Non Executive Director
Chand Rameshbhai Kanabar	Independent Director	Non Executive Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

**Terms of Reference**

**The Role of Audit Committee not limited to but includes:**

- 1) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- 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. Modified opinion(s) in the draft audit report.
- 5) Reviewing, with the management, the half yearly/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, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ Prospectus/ Draft 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) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) 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;
- 14) Discussion with internal auditors any significant findings and follow up there on;

- 15) 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;
- 16) 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;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the whistle blower mechanism;
- 19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- 21) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- 22) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
- 23) To investigate any other matters referred to by the Board of Directors;
- 24) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**Further, the Audit Committee shall mandatorily review the following:**

- 1) management discussion and analysis of financial condition and results of operations;
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) internal audit reports relating to internal control weaknesses; and
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

To submit statement of deviations:

- i. 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;
- ii. Report of the monitoring agency on annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(6) of the SEBI Listing Regulations, if applicable.

**Powers of Committee**

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice; and
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary

**Quorum and Meetings**

The committee shall meet as and when required to discuss and approve the items included in its role. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two independent members at each meeting. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries.

**2. Nomination and Remuneration Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, read with SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, as applicable, in its meeting held on November 16, 2024 constituted the Nomination and Remuneration Committee of its Board of Directors.

The constitution of the Nomination and Remuneration Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Kiranben Vipulbhai Ghonia	Chairperson and Director	Non-Executive Director
Shyam Bhadresh Kapadia	Independent Director	Non-Executive Director
Grishma A Shewale	Independent Director	Non-Executive Director
Chand Rameshbhai Kanabar	Independent Director	Non-Executive Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

#### Terms of reference

**The terms of reference of the Nomination and Remuneration Committee as per Regulation 19 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under:**

- a) To formulate 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;
- b) 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 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.
- c) To formulate criteria for evaluation of the performance of independent directors and the Board of Directors;
- d) devising a policy on diversity of our Board of Directors;
- e) Identifying persons, who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy;
- f) To carry out evaluation of every Director's performance;
- g) To recommend to the Board the appointment and removal of Directors and Senior Management;
- h) To recommend to the Board, policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management;
- i) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- j) To recommend to the board, all remuneration, in whatever form, payable to senior management;
- k) To perform such other functions as may be necessary or appropriate for the performance of its duties.;

#### Quorum and Meetings

The committee shall meet as and when the need arises, subject to at least once in a year. The quorum for a meeting of the Nomination and Remuneration 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 attendance. The Chairman of the Nomination and Remuneration Committee is entitled to attend the general Meeting of the company to furnish clarifications to the shareholders on any matter relating to remuneration.

### 3. Stakeholder Relationship Committee

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013 and rules made thereunder, as amended from time to time, read with SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, as applicable, in its meeting held on November 16, 2024 constituted Stakeholder Relationship Committee.

The constitution of the Stakeholder Relationship Committee is as follows:

Name of the Directors	Designation	Nature of Directorship
Kiranben Vipulbhai Ghonia	Chairperson and Director	Non-Executive Director
Shyam Bhadresh Kapadia	Independent Director	Non-Executive Director
Grishma A Shewale	Independent Director	Non-Executive Director
Chand Rameshbhai Kanabar	Independent Director	Non-Executive Director

Our Company Secretary and Compliance officer shall act as the secretary of the Committee.

## Terms of Reference

### Role of Stakeholder Relationship Committee shall include: -

The role of the Stakeholders Relationship Committee as per Part D of Schedule II of the SEBI Listing Regulations and Companies Act, 2013 shall be as under:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures.;
2. Redressal of shareholder's/investor's complaints;
3. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
4. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
5. Allotment and listing of shares;
6. Reference to statutory and regulatory authorities regarding investor grievances; and;
7. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
8. Any other power specifically assigned by the Board of Directors of the Company;

### Quorum and Meetings

The Stakeholders Relationship Committee shall meet at least once a year and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The Chairman of the Stakeholders Relationship Committee shall be present at the Annual General Meeting to answer queries of the securities holders. The Quorum shall be two members present.

## MANAGEMENT ORGANIZATION STRUCTURE

The Management Organization Structure of the company as follows:

### KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. The details of our other Key Managerial Personnel as on the date of this Prospectus are set forth in below:

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
<b>Name</b>	Abhishek Dobaria Arvindbhai	He holds the degree in Bachelor of Commerce (Accounting and Finance) from Saurashtra University, Rajkot, Gujarat in the year 2014 followed by Bachelor of law in the year 2017 from Saurashtra University, Rajkot, Gujarat	Parsana Associates	-
<b>Designation</b>	Chief Financial Officer			
<b>Date of Appointment</b>	November 07,2024			
<b>Overall Experience</b>	He has an overall experience of more than 10 years in the field of finance.			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
<b>Name</b>	Sneha Dhaval Shah	She holds the degree of company secretary from The Institute of	Lingraj Steel and Power Private Limited	-
<b>Designation</b>	Company Secretary and Compliance			

	Officer	Company Secretaries of India since year 2016.		
<b>Date of Appointment</b>	November 16,2024			
<b>Overall Experience</b>	She is having more than 5 years of experience as a Company secretary working as Compliance officer of the company			

## SENIOR MANAGEMENT PERSONNEL

The Senior Managerial Personnel of our Company are as follows:

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
<b>Name</b>	Dilip Bhupetbhai Chauhan	He holds the degree in Bachelor Commerce from Saurashtra University, Rajkot, Gujarat in the year 1944	Working with company since December 20, 2018	4.19
<b>Designation</b>	Chief Accountant			
<b>Date of Appointment</b>	December 20, 2018			
<b>Overall Experience</b>	He has more than 4 years of comprehensive experience in the field of finance			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
<b>Name</b>	Prakash Solanki	He holds the degree in Bachelor Commerce from Saurashtra University, Rajkot, Gujarat in the year 2011	Working with company since December 20, 2018	5.03
<b>Designation</b>	Sales Manager			
<b>Date of Appointment</b>	December 20, 2018			
<b>Overall Experience</b>	He has an overall experience of more than 4 years sales and business development.			

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24 (₹ in Lakhs)
<b>Name</b>	Pratik Baldha	He has completed his diploma in engineering from Gujarat Technological university in the year 2021	Working with company since December 25, 2019	5.03
<b>Designation</b>	Production Manager			
<b>Date of Appointment</b>	December 25, 2019			
<b>Overall Experience</b>	He has an overall experience of more than 3 years in the field of Production management.			

Details of Remuneration paid to KMP and SMP is certified by M/S. V S S B & Associates with certificate dated 25/01/2025 UDIN: 25109944BMGPF09139.

## SERVICE CONTRACTS WITH KEY MANAGERIAL PERSONNEL AND SENIOR MANAGERIAL PERSONNEL

Other than the statutory benefits that the Key Managerial Personnel and Senior Management Personnel are entitled to, upon their retirement, Directors, the Key Managerial Personnel, and Senior Managerial Personnel of our Company as detailed in their respective appointment letters, they have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

## INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGERIAL PERSONNEL

Other than to the extent of the remuneration, benefits, interest of receiving dividends on the Equity Shares, reimbursement of expenses incurred in the ordinary course of business, our Key Managerial Personnel and Senior Managerial Personnel have no other interest in the equity share capital of the Company.

No loans have been availed by our Key Managerial Personnel and Senior Managerial Personnel from our Company

as on the date of this Draft Prospectus.

## RELATIONSHIP AMONGST KEY MANAGERIAL PERSONNEL AND SENIOR MANAGERIAL PERSONNEL

Except as stated in “*Relationship between our Directors, Key Managerial Personnel and Senior Management Personnel*”, none of our Key Managerial Personnel or Senior Management Personnel are related.

## ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS

None of our Key Managerial Personnel and Senior Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

## REMUNERATION/ COMPENSATION AND/OR BENEFITS TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGERIAL PERSONNEL

No amount of compensation has been paid, and/or benefits granted to our Key Managerial Personnel and Senior Managerial Personnel on an individual basis by the Company for the services provided by our Key Managerial Personnel and Senior Managerial Personnel in all capacities, including contingent or deferred compensation accrued for the year and payable at a later date, which does not form part of their remuneration.

## TERMS OF APPOINTMENT OF OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGERIAL PERSONNEL:

The remuneration/compensation package payable to the Key Managerial Personnel and Senior Managerial Personnel from FY 2024 is stated hereunder:

Particulars	Vipulbhai Laljibhai Ghonia	Kamalbhai Laljibhai Ghonia	Abhishek Dobaria Arvindbhai	Sneha Dhaval Shah	Dilip Bhupetbhai Chauhan	Prakash Solanki	Pratik Baldha
Remuneration	Upto ₹12.00 lakhs per annum with such annual increments/increase as may be decided by our Board of Directors from time to time	Upto ₹12.00 lakhs per annum with such annual increments/increase as may be decided by our Board of Directors from time to time	Rs. 50,000 per month*	Rs. 40,000 per month**	[•]	[•]	[•]
Perquisites and Benefits	i. He shall be eligible to contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961); ii. gratuity payable at a rate not exceeding	i. He shall be eligible to contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961 (43 of 1961); ii. gratuity payable at a rate not exceeding	Nil	Nil	Nil	Nil	Nil

	<p>half a month's salary for each completed year of service, and</p> <p>iii. encashment of leave at the end of the tenure.</p> <p>iv. He shall be entitled to the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and</p> <p>v. the reimbursement of travelling, board and lodging during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.</p>	<p>half a month's salary for each completed year of service, and</p> <p>iii. encashment of leave at the end of the tenure.</p> <p>iv. He shall be entitled to the reimbursement of entertainment expenses actually incurred by him in the course of legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors; and</p> <p>v. the reimbursement of travelling, board and lodging during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.</p>					
Current Designation	Chairman and Managing Director	Whole-Time Director	Chief Financial	Company Secretary	Senior Managerial	Senior Managerial	Senior Managerial Personnel



			Officer	and Compliance Officer	Personnel	Personnel	
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\* The remuneration payable from FY 2024 onwards as approved in the Extra-ordinary General Meeting held on for KMP

\*\* The remuneration package payable to KMP w.e.f. November 07, 2024 onwards was approved by our Directors in the Board Meeting held on November 07, 2024.

\*\*\* The remuneration package payable to KMP w.e.f. November 16, 2024 onwards was approved by our Directors in the Board Meeting held on November 16, 2024

The following table sets forth the details of the remuneration/ compensation paid by our Company to our Key Managerial Personnel and Senior Management Personnel for the last FY 2023-24 is as follows:

Sr. No.	Key Managerial Personnel and Senior Management Personnel	Remuneration	Professional Fees
1.	Mr. Vipulbhai Laljibhai Ghonia	*₹12.00 lakhs	Nil
2.	Mr. Kamalbhai Laljibhai Ghonia	*₹12.00 lakhs	Nil
3.	Mrs. Sneha Dhaval Shah	Nil	Nil
4.	Mr. Abhishek Dobaria Arvindbhai	Nil	Nil
5.	Mr. Dilip Bhupetbhai Chauhan	*₹4.19 lakhs	Nil
6.	Mr. Prakash Solanki	*₹5.03 lakhs	Nil
7.	Mr. Pratik Baldha	*₹5.03 lakhs	Nil

\* The remuneration paid for last FY 2023-24 in the capacity of an employee of our Company and were not forming part of KMP as per SEBI ICDR Regulations and the Companies Act, 2013.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR KEY MANAGERIAL PERSONNEL AND SENIOR MANAGERIAL PERSONNEL**

There is no contingent or deferred compensation payable to any of our Key Managerial Personnel and Senior Managerial Personnel.

#### **COMPENSATION PAID TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL PURSUANT TO A BONUS OR PROFIT-SHARING PLAN**

Our Company does not have any performance linked bonus or profit-sharing plan with any of the Key Managerial Personnel and Senior Management Personnel.

#### **STATUS OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGERIAL PERSONNEL**

All our Key Managerial Personnel and Senior Managerial Personnel are permanent employees of our Company.

#### **SHAREHOLDING OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGERIAL PERSONNEL**

Except as detailed below, none of our Key Managerial Personnel and Senior Managerial Personnel hold Equity Shares in our Company as on the date of this Draft Prospectus.

Sr. No.	Name of the Shareholder	Designation	Number of Equity Shares	Percentage of pre-offer equity share capital
1.	Mr. Vipulbhai Laljibhai Ghonia	Chairman, Managing Director	6,65,660	16.01
2.	Mr. Kamalbhai Laljibhai Ghonia	Whole time Director	6,66,160	16.02

For further details, please refer to "*Capital Structure - The aggregate shareholding of the Promoter and Promoter group*" starting on [●].

#### **CHANGES IN THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGERIAL PERSONNEL**

**DURING THE LAST THREE YEARS**

Except as mentioned below, there are no other changes in the Key Management Personnel other than directors in the last three years preceding the date of filing this Draft Prospectus:

Name of Director	Date of Event	Nature of Event	Reason for the changes in the board
Vipulbhai Laljibhai Ghonia	7 <sup>th</sup> November, 2024	Change in Designation	Change in Designation to Chairman and Managing Director with effect from 7 <sup>th</sup> November, 2024
Kamalbhai Laljibhai Ghonia	7 <sup>th</sup> November, 2024	Change in Designation	Change in Designation to Whole Time Director with effect from 7 <sup>th</sup> November, 2024

**ATTRITION OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL**

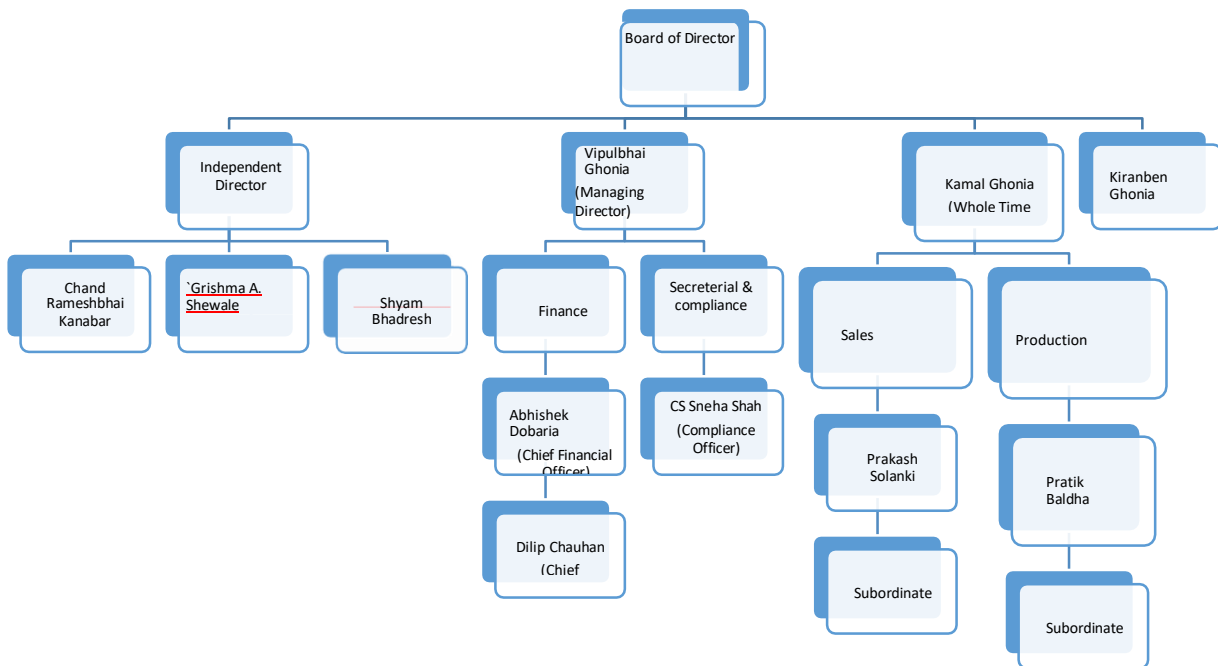
The attrition of Key Managerial Personnel and Senior Management Personnel is not high in our Company compared to the industry.

**PAYMENT OR BENEFIT (NON-SALARY RELATED) TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGERIAL PERSONNEL OF OUR COMPANY**

No non-salary related amount or benefit has been paid or given to any officers of our Company, including Key Managerial Personnel and Senior Managerial Personnel within the two (2) years preceding the date of filing of this Draft Prospectus or is intended to be paid or given, as on the date of filing of this Draft Prospectus other than in the ordinary course of their employment.

**EMPLOYEE STOCK OPTIONS AND STOCK PURCHASE SCHEMES**

As on date of this Draft Prospectus, our Company does not have any Employee Stock Options and other Equity-Based Employee Benefit Schemes.



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## OUR PROMOTER & PROMOTER GROUP



### OUR PROMOTER

The Promoters of our Company are Mr.Vipulbhai Laljibhai Ghonia and Mr.Kamalbhai Laljibhai Ghonia.

As on the date of this Draft Prospectus, the Promoters holds 13,31,820 Equity Shares of our Company, representing 32.04% of the pre-issue paid-up equity share capital of our Company.

For details of the build-up of the Promoter's shareholding in our Company, see "*Capital Structure – Capital Buildup of our Promoter shareholding in the Company*" beginning on page 74 of this Draft Prospectus.

### DETAILS OF OUR PROMOTERS

	<b>Mr.Vipulbhai Laljibhai Ghonia</b>	
	<b>Qualification</b>	12th
	<b>Date of Birth</b>	March 29, 1974
	<b>Age</b>	50 Year
	<b>Address</b>	Prem Raj, 06-Alka Society, B/h Vishveshwar Temple, Mavdi main road, Rajkot-360004, Gujarat, India.
	<b>Experience</b>	24 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AGKPG7210J
	<b>Passport Number</b>	TO858953
	<b>License Number</b>	GJ0320110004206
	<b>No. of Equity Shares held in [% of Shareholding (Pre-Issue)]</b>	6,65,660 Equity Shares of face value ₹10/- each, representing 16.01%
	<b>DIN</b>	06511100
	<b>Other Interests</b>	NIL
		<b>Mr.Kamalbhai Laljibhai Ghonia</b>
<b>Qualification</b>		Bachelors Of Arts
<b>Date of Birth</b>		June 08, 1978
<b>Age</b>		46 Year
<b>Address</b>		Prem Raj, 06-Alka Society, B/h Vishveshwar Temple, Mavdi main road, Rajkot-360004, Gujarat, India.
<b>Experience</b>		24 years
<b>Occupation</b>		Business
<b>Permanent Account Number</b>		AJHPG9140K
<b>Passport Number</b>		U8738193
<b>License Number</b>		AH4075396582621
<b>No. of Equity Shares held in</b>		6,66,160 Equity Shares of face value ₹10/- each, representing 16.02%.

	<b>[% of Shareholding (Pre-Issue)]</b>	
	<b>DIN</b>	06511096
	<b>Other Interests</b>	NIL

## DECLARATION

In relation to our Promoters, Mr.Vipulbhai Laljibhai Ghonia and Mr.Kamalbhai Laljibhai Ghonia, our Company confirms that the PAN, bank account number, passport number, aadhar card number and driving license number shall be submitted to the Stock Exchange on which the Equity Shares are proposed to be listed at the time of filing of this Draft Prospectus.

## UNDERTAKING

None of our Promoter or Promoter Group or Group Company or person in control of our Company has been:

- Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority;
- Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad;
- No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoter, Group Company and Company promoted by the promoter of our company;
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoter, Group Company and Company promoted by the promoters since incorporation;
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoter are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 246 of this Draft Prospectus;
- None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

## OTHER VENTURES OF OUR PROMOTERS

Other than as disclosed in this section “*Our Promoter and Promoter Group*” beginning on page 186 of this Draft Prospectus, our Promoter is not involved in any other ventures.

## CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

Mr.Vipulbhai Laljibhai Ghonia, Mr.Kamalbhai Laljibhai Ghonia and Mr.Laljibhai Keshavbhai Ghonia were the initial promoters of the Company.

Mr.Laljibhai Keshavbhai Ghonia ceased to be the promoters of our Company (“Former Promoters”), due to his death on May 29, 2024, there has been no change in the control of our Company during the five years immediately preceding the date of this Draft Prospectus. Accordingly, as on the date of this Draft Prospectus, the Company has only two Promoters, Mr.Mr.Vipulbhai Laljibhai Ghonia and Mr.Kamalbhai Laljibhai Ghonia. For more information, please refer to chapters titled “*Our History and Other Corporate Matter*” and “*Capital Structure - Capital Build-up of our Promoter shareholding in the Company*” beginning on pages 158 and 74 respectively.

Except as disclosed in chapter titled “*Our Management*” on page no. 162 of this Draft Prospectus, there has been no change in management of our Company during the last 5 years.

## INTEREST OF PROMOTER

Our Promoter is interested in our Company to the extent the Promoter has (i) promoted our Company, (ii) to the extent of his shareholding in our Company (iii) the directorship in our Company (iv) other distribution in respect of his shareholding in our Company, from time to time. Our Promoter is also interested to the extent of shareholding of his relatives in our Company. For further details of shareholding of our Promoter in our Company, see “*Capital Structure – Equity shareholding of the promoter and promoter group*” beginning on page 74.

Our Promoters Mr.VipulbhaiLaljibhaiGhonia and Mr.KamalbhaiLaljibhaiGhonia, who are also Directors of our Company, may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to him for services rendered to our Company in accordance with the provisions of the Companies Act and in terms of the agreements entered into with our Company, if any, and AOA of our Company. For details refer to the chapter titled “*Our Management*” beginning on page 162 of this Draft Prospectus.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid, or agreed to be paid to our Promoters or to any firm or company, in cash or shares or otherwise by any person either to induce him to become, or to qualify them as directors, promoters or otherwise for services rendered by such Promoters or by such firm or company, in connection with the promotion or formation of our Company.

Our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Prospectus except plant & machinery acquired from proprietorship of director and proprietorship of wife of director (For more detail, refer page no. ANNEXURE – XXXVI-DETAILS OF RELATED PARTY TRANSACTION AS RESTATED or proposed to be acquired by the Company, or in any transaction with respect to the acquisition of land, construction of building and supply of machinery.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Our Promoters may also be interested to the extent of providing personal guarantees for some of the loans taken by our Company. For details see “*Capital Structure*”, “*Our Management*” and “*Restated Financial Information*” on page 74, 162 and 187 respectively of this Draft Prospectus.

#### **PAYMENT OR BENEFITS TO OUR PROMOTER AND PROMOTER GROUP DURING THE LAST TWO YEARS**

Except as as stated in “*Restated Financial Information–Related Party Transactions*” and “*Our Management*” beginning on pages 187 and 162 , respectively, there has been no amounts paid or benefits granted by our Company to our Promoter or any of the members of the Promoter Group in the two years preceding the date of this Draft Prospectus, nor is there any intention to pay any amount or provide any benefit to our Promoters or Promoter Group as on the date of this Draft Prospectus.

#### **COMPANIES/ FIRMS WITH WHICH OUR PROMOTER HAS DISASSOCIATED IN THE LAST 3 (THREE) YEARS**

Our Promoter has not disassociated from any companies or firms during the preceding three years from the date of filing of this Draft Prospectus.

#### **OTHER VENTURES OF OUR PROMOTER**

Save and except as disclosed in the chapter titled “*Our Management*” beginning on page 162 of this Draft Prospectus, there are no other ventures, in which our Promoters has any business interests/ other interests.

#### **LITIGATION DETAILS PERTAINING TO OUR PROMOTER**

For details on litigations and disputes pending against our Promoter and defaults made by the Promoters, if any, please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 246 of this Draft Prospectus.

#### **MATERIAL GUARANTEES GIVEN BY OUR PROMOTER TO THIRD PARTIES WITH RESPECT TO EQUITY SHARES**

Our Promoters has not given any material guarantees to third parties with respect to the Equity Shares of our Company. For further information, please refer to the details under the heading “ *Capital Structure*” beginning on page 74.

## OUR PROMOTER GROUP

In addition to the Promoter named above, the following natural persons are part of our Promoter Group:

### 1. Natural Persons who are part of the Promoter Group

As per Regulation 2 (1)(pp)(ii) of the SEBI ICDR Regulations, the natural persons who are part of the Promoter Group (due to their relationship with the Promoter) are as follows:

Name of the Promoter	Name of the relative	Relationship with Promoter
<b>Vipulbhai Laljibhai Ghonia</b>	Late. Laljibhai Keshavbhai Ghonia	Father
	Jayaben Laljibhai Ghonia	Mother
	Kamalbhai Laljibhai Ghonia	Brother
	Kairvi Ankit Patoliya	Daughter
	Raj Vipulbhai Ghonia	Son
	Kiranben Vipulbhai Ghonia	Spouse
	Haribhai Ratnabhai Limbani	Spouse's father
	Samjuben Haribhai Limbani	Spouse's Mother
	Gitaben Sureshbhai Malaviya	Spouse's Sister
	Rekhaben Bhaveshbhai Sorathiya	Spouse's Sister
	Manishbhai Haribhai Limbani	Spouse's Brother

Name of the Promoter	Name of the relative	Relationship with Promoter
<b>Kamalbhai Laljibhai Ghonia</b>	Late. Laljibhai Keshavbhai Ghonia	Father
	Jayaben Laljibhai Ghonia	Mother
	Vipulbhai Laljibhai Ghonia	Brother
	Khushi Kamalbhai Ghonia	Daughter
	Prem Kamalbhai Ghonia	Son
	Pritiben Kamalbhai Ghonia	Spouse
	Jivrajbhai Jagabhai Nandaniya	Spouse's father
	Dakshaben Jivrajbhai Nandaniya	Spouse's Mother
	Ravibhai Jivrajbhai Nandaniya	Spouse's Brother
	Vijaybhai Jivrajbhai Nandaniya	Spouse's Brother

### 2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2 (1)(pp)(iv) of the SEBI ICDR Regulations, the following entities would form part of our Promoter Group:

Sr No.	Nature of Relationship	Entities
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1.	Anybody corporate (other than subsidiary & associate) in which 20% or more of the share capital is held by the Promoters or an immediate relative of the Promoters or a firm or HUF in which the Promoters or any one or more of his immediate relatives is a member;	-
2.	Any body corporate in which a body corporate as provided in (A) above holds twenty percent. or more, of the equity share capital; and	-
	Any Hindu undivided family or firm in which the aggregate share of the promoters and their relatives is equal to or more than twenty percent of the total capital.	-

**3. Other persons included in Promoter Group**

None of other persons form a part of promoter group, whose shareholding is aggregated under the heading “shareholding of the promoter group” under Regulation 2(1)(pp)(v) of SEBI ICDR Regulations.

***[Remainder of the page has been intentionally left blank]***



## **DIVIDEND POLICY**

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

For details of risks in relation to our capability to pay dividend, see “*Risk Factors* No. – Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not paid / declared any dividend in last three years and during stub period from date of this Draft Prospectus.

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## OUR GROUP COMPANY

In accordance with Sections 2(1)(t) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, Group Company shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the Company.

In terms of the SEBI ICDR Regulations and in terms of the policy of materiality defined by the Board pursuant to its resolution dated June 29, 2024 our Group Company includes:

- (i) Those companies disclosed as related parties in accordance with Accounting Standards (“*AS 18*”) issued by the Institute of Chartered Accountants of India, during the period for which Financial Information is disclosed.
- (ii) All such companies which are deemed to be material by the Board of Directors.

No company which is considered material by the Board of Directors of our Company to be identified as Group Company. No equity shares of our group entities are listed on any of the stock exchange and they have not made any public or rights issue of securities in the preceding three years.

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**SECTION VIII – FINANCIAL INFORMATION**

**RESTATED FINANCIAL STATEMENTS**

**ANNEXURE I: STATEMENT OF ASSETS AND LIABILITIES**

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	<b>EQUITY AND LIABILITIES</b>					
1)	<b><u>Shareholders Funds</u></b>					
	a. Share Capital	V	200.00	200.00	200.00	200.00
	b. Reserves & Surplus	VI	252.68	159.67	2.14	10.06
2)	<b><u>Non - Current Liabilities</u></b>					
	a. Long-term Borrowings	VII	535.84	357.46	484.91	572.59
	b. Long-term Provisions	VIII	7.60	7.12	0.39	0.25
3)	<b><u>Current Liabilities</u></b>					
	a. Short Term Borrowings	IX	393.34	396.38	460.51	474.12
	b. Trade Payables	X				
	- Due to Micro and Small Enterprises		47.65	53.03	136.31	156.28
	- Due to Others		140.97	148.85	230.76	150.24
	c. Other Current liabilities	XI	56.99	80.79	85.16	90.95
	d. Short Term Provisions	XII	126.48	101.20	82.47	163.10
	<b>TOTAL</b>		<b>1,761.55</b>	<b>1,504.50</b>	<b>1,682.65</b>	<b>1,817.59</b>
	<b>ASSETS</b>					
1)	<b><u>Non Current Assets</u></b>					
	a. Property, Plant & Equipment and Intangible Assets					
	- Property, Plant & Equipment	XIII	765.55	547.51	524.52	609.01
	- Intangible Assets		1.16	1.22	2.45	1.59
	b. Deferred Tax Assets (Net)	XIV	17.37	16.74	14.00	11.36
	c. Long-term Loans & Advances	XV	-	-	2.78	1.09
	d. Other Non-current assets	XVI	-	-	0.26	0.26
2)	<b><u>Current Assets</u></b>					
	a. Inventories	XVII	344.72	298.53	352.62	390.40
	b. Trade Receivables	XVIII	322.49	237.72	378.93	401.00

	c. Cash and Bank Balance	XIX	5.52	34.31	20.37	21.52
	d. Short term loan and advances	XX	304.74	361.26	379.53	374.52
	e. Other current assets	XXI	-	7.21	7.19	6.84
<b>T O T A L</b>			<b>1,761.55</b>	<b>1,504.50</b>	<b>1,682.65</b>	<b>1,817.59</b>

**ANNEXURE II: STATEMENT OF PROFIT AND LOSS AS RESTATED**

(₹ In Lakhs)

Sr. No.	Particulars	Annexure No.	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A</b>	<b>INCOME</b>					
	Revenue from Operations	XXII	358.56	1,052.95	1,032.15	1,007.05
	Other Income	XXIII	0.12	7.47	13.57	2.91
	<b>Total Income (A)</b>		<b>358.68</b>	<b>1,060.42</b>	<b>1,045.72</b>	<b>1,009.96</b>
<b>B</b>	<b>EXPENDITURE</b>					
	Cost of material consumed	XXIV	92.71	198.50	270.56	323.30
	Changes in inventories of finished Goods	XXV	(40.36)	37.66	26.75	52.80
	Employee Benefits Expense	XXVI	38.96	158.94	124.52	120.40
	Finance costs	XXVII	31.69	91.20	113.04	110.73
	Depreciation and Amortization Expense	XXVIII	42.22	118.25	93.17	103.96
	Other Expenses	XXIX	68.67	244.35	428.25	323.63
	<b>Total Expenses (B)</b>		<b>233.89</b>	<b>848.90</b>	<b>1,056.29</b>	<b>1,034.82</b>
<b>C</b>	<b>Profit before and tax (A-B)</b>		<b>124.79</b>	<b>211.52</b>	<b>(10.57)</b>	<b>(24.86)</b>
<b>D</b>	<b>Tax Expense:</b>					
	(i) Current tax	XXXV	32.42	56.72	-	-
	(iii) Deferred tax expenses/ (credit)	XIV	(0.64)	(2.73)	(2.64)	(5.34)
	<b>Total Expenses (D)</b>		<b>31.78</b>	<b>53.99</b>	<b>(2.64)</b>	<b>(5.34)</b>
<b>E</b>	<b>Profit for the year (C-D)</b>		<b>93.01</b>	<b>157.53</b>	<b>(7.92)</b>	<b>(19.52)</b>
<b>F</b>	<b>Earnings per share (Face value of ₹ 10/- each):</b>					
	<b>Post Bonus issue</b>					
	<b>i. Basic</b>		<b>2.33</b>	<b>3.94</b>	<b>(0.20)</b>	<b>(0.49)</b>
	<b>ii. Diluted</b>		<b>2.33</b>	<b>3.94</b>	<b>(0.20)</b>	<b>(0.49)</b>

**ANNEXURE III: STATEMENT OF CASH FLOW**

(₹ In Lakhs)

Sr. No.	Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1)</b>	<b>Cash Flow From Operating Activities:</b>				
	Net Profit before tax as per Profit And Loss A/c	124.79	211.52	(10.57)	(24.86)
<b>2)</b>	<b>Adjustments for:</b>				
	Finance Cost	31.69	91.20	113.04	110.73
	Gratuity Provision	0.51	7.07	0.15	0.26
	Provision for penalty u/s 271B of Income-tax Act, 1961	-	-	1.50	1.50
	Interest Income	-	(1.73)	(1.56)	(1.16)
	Net (Profit) or Loss on Sale of property, plant & equipment	-	-	(0.74)	0.72
	Depreciation and Amortisation Expense	42.22	118.25	93.17	103.96
<b>3)</b>	<b>Operating Profit Before Working Capital Changes</b>	<b>199.21</b>	<b>426.31</b>	<b>194.99</b>	<b>191.15</b>
	Adjusted for (Increase)/Decrease in operating assets				
	Inventories	(46.19)	54.09	37.78	74.40
	Trade Receivables	(84.77)	141.21	22.07	(42.05)
	Short term loan and advances	56.52	18.27	(5.01)	(135.47)
	Other Current Assets	7.21	(0.02)	9.15	1.09
	Other Bank Balances	-	-	-	5.34
	Adjusted for Increase/(Decrease) in operating liabilities:				
	Trade Payables	(13.26)	(165.19)	60.55	0.40
	Other Current Liabilities	(23.81)	(4.37)	(5.78)	16.75
	Provisions	(7.16)	(30.00)	(82.14)	119.55
	<b>Cash Generated From Operations Before Extra-Ordinary Items</b>	<b>87.75</b>	<b>443.34</b>	<b>229.92</b>	<b>229.81</b>
	Net Income Tax paid/ refunded	(0.01)	(8.33)	-	(0.08)
<b>4)</b>	<b>Net Cash Flow from/(used in) Operating Activities: (A)</b>	<b>87.74</b>	<b>435.01</b>	<b>229.92</b>	<b>229.73</b>
	<b>Cash Flow from Investing Activities:</b>				
	Purchase of property, plant & equipment	(260.19)	(140.02)	(11.30)	(44.20)
	Sale of property, plant & equipment	-	-	2.50	3.29
	Interest Income	-	1.73	1.56	1.16
<b>5)</b>	<b>Net Cash Flow from/(used in) Investing Activities: (B)</b>	<b>(260.19)</b>	<b>(138.29)</b>	<b>(7.24)</b>	<b>(39.75)</b>
	<b>Cash Flow from Financing Activities:</b>				
	Proceeds/(Repayment) of	175.34	(191.58)	(101.29)	(78.53)

	Borrowings				
	Finance Cost Paid	(31.69)	(91.20)	(113.04)	(110.73)
<b>6)</b>	<b>Net Cash Flow from/(used in) Financing Activities (C)</b>	<b>143.65</b>	<b>(282.78)</b>	<b>(214.33)</b>	<b>(189.26)</b>
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(28.79)	13.94	8.35	0.72
	Cash & Cash Equivalents As At Beginning of the Year	34.31	20.37	12.02	11.30
	Cash & Cash Equivalents As At End of the Year	<b>5.52</b>	<b>34.31</b>	<b>20.37</b>	<b>12.02</b>
<b>7)</b>	<b>Cash and Cash Equivalents comprise of</b>				
	Cash-in-Hand	4.10	31.79	20.20	11.86
	Bank Balance	1.42	2.52	0.17	0.16
<b>8)</b>	<b>Total</b>	<b>5.52</b>	<b>34.31</b>	<b>20.37</b>	<b>12.02</b>

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.

## **ANNEXURE IV: CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH**

### **1. CORPORATE INFORMATION**

"Shinning Tools Limited is a company incorporated on May 01, 2013.

The corporate identification number of the company is U29220GJ2013PLC074803.

The company is engaged in the business of manufacturing solid carbide cutting tool solutions for end mills, drills, reamers and its re-conditioning services under its brand name 'Tixna'. The company also offers regrinding and coating services. The company was incorporated in 2013 and has its registered office located Survey No. 63/2 , Plot No. 2, Rajkot, Gondal Highway, Pipaliya, Gujrat - 360311. "

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.01 BASIS OF ACCOUNTING AND PREPARATION OF RESTATED FINANCIAL STATEMENTS**

The restated summary statement of assets and liabilities of the Company as at July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 and the related restated summary statement of profits and loss and cash flows for the period/year ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 (herein collectively referred to as ("Restated Summary Statements")) have been compiled by the management from the audited Financial Statements of the Company for the period/year ended July 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 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 BSE 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**

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##### **(i) Property, Plant & Equipment**



"All Property, Plant & Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost for this purpose comprises its purchase price and any attributable cost bringing the asset to its working contribution for its intended use. Property, Plant & Equipment taken on finance lease are capitalized.

Capital work-in-progress is stated at the amount expended up to the date of Balance Sheet. On commencement of commercial production, capital work-in-progress related to project is being allocated to the respective Property, Plant & Equipment."

#### **(ii) Intangible Assets**

Intangible Assets if any are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

### **2.04 DEPRECIATION / AMORTISATION**

"Depreciation on Property, Plant & Equipment is provided to the extent of depreciable amount on the Written Down Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on addition to the Property, Plant & Equipment is provided on a pro-rata basis from the date of put to use.

Leasehold land is amortized over the period of lease."

### **2.05 INVENTORIES**

"Inventories are valued at lower of cost and net realisable value. In case of Finished goods, costs are calculated at direct material cost, conversion and other cost incurred to bring the goods to their present location and condition and also include excise duty on finished goods.

Inventories of raw material are valued at cost and Inventory of semi finished goods are valued at estimated cost on the basis of stage of completion. "

### **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. 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:**

Investments that are intended to be held for more than a year, from the date of acquisition are classified as non-current investments and are carried at cost. However, provision for diminution in value of investments is made to recognize a decline, other than temporary, in the value of the investment. The carrying amount for current investments is the lower of cost and fair value.

### **2.08 FOREIGN CURRENCY TRANSLATIONS**

"i) Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transactions.

ii) Monetary items denominated in foreign currencies at year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract

iii) Foreign Currency assets and liabilities at the year end are realigned at the exchange rates prevailing at the year end and the difference on realignment is recognized in the statement of profit and loss/fixed assets as the case may be.

iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss."

### **2.09 BORROWING COSTS**

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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 which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes on accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

## **2.11 REVENUE RECOGNITION**

Sale Revenue is Recognized only when significant risk and rewards of ownership has been transferred to the buyer and is stated at net of claims, discount, sales related tax, trade discounts & rebates. Interest income is recognized on time proportion basis. Income and Expense is recognized on accrual basis. However Income and Expense which are uncertain in nature are provided on acceptance basis. Insurance claims area accounted for on acceptance based on certainty of realisation.

## **2.12 TAXES ON INCOME**

### **"i) Current Taxes**

Provision of Current tax is determined on the basis of taxable income and tax credits computed in accordance with the provision of the income tax act, 1961.

### **ii) Deferred Taxes**

Deferred tax assets and liabilities are recognized by computing the tax effect on timing difference which arise during the year and reverse in the subsequent periods. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized."

## **2.13 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).

## **2.14 EARNINGS PER SHARE**

In determining the earning per share, the company consider the net profit after tax and includes the post tax effect of any extra ordinary items, The number of shares used in computing the earning per share is the number of shares allotted by the company as on the Balance sheet date.

## **2.15 EMPLOYEE BENEFITS**

### **Gratuity:**

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, at death while in employment of an amount equal to 15 by 26 days salary payable for each completed years of service. The normal age of retirement is 60 years and vesting occurs upon the completion of five years of service. The maximum limit of Gratuity is Rs. 20 lacs. The Company accounts for the liability of gratuity benefits payable in future based on an independent actuarial valuation, carried out as the year end.

### **Provident Fund:**

The eligible employees of the company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both the employees and the company make monthly contributions at a specified

percentage of the covered employee's salary (currently 12% of employee's salary). The contribution as specified under the law is paid to the recognized provident fund.

**Others:**

Short Term employee benefits are recognized as an expense at the undiscounted amount in the account of the period in which the related services are rendered.

**2.16 SEGMENT REPORTING**

The company is engaged in manufacture and sale of Calcined Petroleum coke which constitutes use single business segment during the period. Considering the nature of company's business and operations, there are no segment reportable segments (business and/or geographical) in accordance with the requirements of AS-17.

**2.17 LEASE**

Lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership or if the asset is leased for substantially entire life of the asset. Title may or may not eventually be transferred. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incident to ownership. The Company has leasehold land under the arrangement of finance lease as the ownership will be transferred at the end of lease term.

At the inception of a finance lease, the lessee should recognize the lease as an asset and a liability. Such recognition should be at amount equal to the fair value of the leased asset at the inception of the lease. However, if the fair value of the leased asset exceeds the present value of the minimum lease payments from the standpoint of the lessee, the amount recorded as an asset and a liability should be the present value of the minimum lease payments from the standpoint of the lessee. In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate should be used.

Lease payments should be apportioned between the finance charge and the reduction of the outstanding liability. The finance charge should be allocated to periods during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**3. NOTES ON RECONCILIATION OF RESTATED PROFITS**

(₹ in Lakhs)

Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	92.17	196.34	7.58	5.16
Adjustments for:				
Provision for Gratuity	(0.51)	(7.07)	(0.15)	(0.26)
Depreciation expense	0.41	(44.16)	(19.87)	(33.99)
Income tax	(0.56)	10.82	5.33	5.50
Deferred tax	0.64	1.60	(0.04)	6.29
Late fees and interest on TDS pertaining to prior period	1.26	-	-	-
Tax paid for prior period	0.01	-	-	-
Profit on sale of property, plant & equipment	-	-	0.73	-
Loss on sale of property, plant & equipment	-	-	-	(0.72)
Provision for penalty u/s 271B of Income-tax Act, 1961	-	-	(1.50)	(1.50)
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>93.42</b>	<b>157.53</b>	<b>(7.92)</b>	<b>(19.52)</b>

Explanatory notes to the above restatements to profits made in the audited Financial Statements of the Company for the respective years:

- a. **Provision for Gratuity:** The Company has not recognised gratuity liability as per AS-15 which has now been provided for and restated.
- b. **Depreciation and Amortization Expense:** Depreciation amount has been restated after using correct useful life as per Schedule II of Companies Act, 2013.
- c. **Income Tax Expense:** The Company has Errorneously 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.
- d. **Deferred Tax:** It has been restated due to consideration of permanent disallowance and change in amount of depreciation by using enacted rates.
- e. **Late fees and interest on TDS pertaining to prior period :** Expense has been restated belong to the actual period and correct head.
- f. **Tax paid for prior period :** Expense has been restated belong to the actual period and correct head.
- g. **Profit on sale of fixed asset:** The Company has sold fixed assets in the year FY 2021-22 & 2022-23 on which profit on sale of asset was to be booked, which has been now restated.
- h. **Loss on sale of fixed asset:** The Company has sold fixed assets in the year FY 2021-22 on which loss on sale of asset was to be booked, which has been now restated.
- i. **Provision for penalty u/s 271B of Income-tax Act, 1961 :** The company has file tax audit after the due date and thus provision for penalty has been booked.

#### 4. NOTES ON RECONCILIATION OF RESTATED NET-WORTH

(₹ in Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Networth as audited (a)	542.05	449.88	253.54	245.96
Adjustments for:				
Opening Balance of Adjustments	(90.21)	(51.40)	(35.90)	3.47
Late fees and interest on TDS pertaining to prior period	-	-	-	(1.25)
Opening Depreciation adjustment	-	-	-	0.61
Opening Deferred tax adjustment	-	-	-	(14.05)
Change in Profit/(Loss)	1.25	(38.81)	(15.50)	(24.68)
Closing Balance of Adjustments (b)	(88.96)	(90.21)	(51.40)	(35.90)
<b>Networth as restated (a +b)</b>	<b>453.09</b>	<b>359.67</b>	<b>202.14</b>	<b>210.06</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:** It has been restated due to consideration of permanent disallowance and change in amount of depreciation by using enacted rates.
- c. **Change in Profit/(Loss) :** Refer Note 3 above.
- d. **TDS Demand :** Prior period demand not shown therefore adjustment has made and now been restated.

#### 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).

#### ANNEXURE V: DETAILS OF SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>EQUITY SHARE CAPITAL:</b>				
<b>AUTHORISED:</b>				
50,00,000 Equity Shares of ₹ 10 each	500.00	500.00	500.00	500.00
<b>ISSUED, SUBSCRIBED AND PAID UP</b>				
20,00,000 Equity Shares of ₹ 10 each fully paid up	200.00	200.00	200.00	200.00
<b>TOTAL</b>	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>

#### Reconciliation of number of shares outstanding at the end of the year:

(₹ in Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Equity Shares at the beginning of the year	20,00,000.00	20,00,000.00	20,00,000.00	20,00,000.00
Add: Addition during the year	-	-	-	-
<b>Equity Shares at the end of the year</b>	<b>20,00,000.00</b>	<b>20,00,000.00</b>	<b>20,00,000.00</b>	<b>20,00,000.00</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) 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) 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 July 31, 2024	
	No. of Shares Held	% of Holding
<b>Equity Share Holders</b>		
Jayaben L Goniya	3,33,311.00	16.67%
Kamal L Ghoniya	3,33,330.00	16.67%
Kiran V Ghoniya	3,33,335.00	16.67%
Laljibhai K Ghoniya	1,36,195.00	6.81%
Priti K Ghoniya	5,30,498.00	26.52%
Vipul L Ghoniya	3,33,330.00	16.67%
<b>TOTAL</b>	<b>19,99,999.00</b>	<b>99.99%</b>

Name of Shareholders	As at March 31,2024	
	No. of Shares Held	% of Holding
<b>Equity Share Holders</b>		
Jayaben L Goniya	3,33,311.00	16.67%
Kamal L Ghoniya	3,33,330.00	16.67%
Kiran V Ghoniya	3,33,335.00	16.67%
Laljibhai K Ghoniya	1,36,195.00	6.81%
Priti K Ghoniya	5,30,498.00	26.52%
Vipul L Ghoniya	3,33,330.00	16.67%
<b>TOTAL</b>	<b>19,99,999.00</b>	<b>99.99%</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>		
Jayaben L Goniya	3,33,311.00	16.67%
Kamal L Ghoniya	3,33,330.00	16.67%
Kiran V Ghoniya	3,33,335.00	16.67%
Laljibhai K Ghoniya	1,36,195.00	6.81%
Priti K Ghoniya	5,30,498.00	26.52%
Vipul L Ghoniya	3,33,330.00	16.67%
<b>TOTAL</b>	<b>19,99,999.00</b>	<b>99.99%</b>

**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>		
Jayaben L Goniya	3,33,311.00	16.67%
Kamal L Ghoniya	3,33,330.00	16.67%
Kiran V Ghoniya	3,33,335.00	16.67%
Laljibhai K Ghoniya	1,36,195.00	6.81%
Priti K Ghoniya	5,30,498.00	26.52%
Vipul L Ghoniya	3,33,330.00	16.67%
<b>TOTAL</b>	<b>19,99,999.00</b>	<b>99.99%</b>

**Details of equity shares held by promoters:**

Name of Promoter	As at July 31, 2024		% Change during the year
	No. of Shares Held	% of Holding	
Jayaben L Goniya	3,33,311.00	16.67%	-
Kamal L Ghoniya	3,33,330.00	16.67%	-
Kiran V Ghoniya	3,33,335.00	16.67%	-
Laljibhai K Ghoniya	1,36,195.00	6.81%	-
Priti K Ghoniya	5,30,498.00	26.52%	-
Raghav M Dudhatra	1.00	0.00%	-
Vipul L Ghoniya	3,33,330.00	16.67%	-
<b>TOTAL</b>	<b>20,00,000.00</b>	<b>100.00%</b>	

Name of Promoter	As at March 31,2024		% Change during the year
	No. of Shares Held	% of Holding	
Jayaben L Goniya	3,33,311.00	16.67%	-
Kamal L Ghoniya	3,33,330.00	16.67%	-
Kiran V Ghoniya	3,33,335.00	16.67%	-
Laljibhai K Ghoniya	1,36,195.00	6.81%	-
Priti K Ghoniya	5,30,498.00	26.52%	-
Raghav M Dudhatra	1.00	0.00%	-
Vipul L Ghoniya	3,33,330.00	16.67%	-
<b>TOTAL</b>	<b>20,00,000.00</b>	<b>100.00%</b>	

Name of Promoter	As at March 31,2023		% Change during the year
	No. of Shares Held	% of Holding	
Jayaben L Goniya	3,33,311.00	16.67%	-
Kamal L Ghoniya	3,33,330.00	16.67%	-

Kiran V Ghoniya	3,33,335.00	16.67%	-
Laljibhai K Ghoniya	1,36,195.00	6.81%	-
Priti K Ghoniya	5,30,498.00	26.52%	-
Raghav M Dudhatra	1.00	0.00%	-
Vipul L Ghoniya	3,33,330.00	16.67%	-
<b>TOTAL</b>	<b>20,00,000.00</b>	<b>100.00%</b>	

Name of Promoter	As at March 31,2022		% Change during the year
	No. of Shares Held	% of Holding	
Jayaben L Goniya	3,33,311.00	16.67%	-
Kamal L Ghoniya	3,33,330.00	16.67%	-
Kiran V Ghoniya	3,33,335.00	16.67%	-
Laljibhai K Ghoniya	1,36,195.00	6.81%	-
Priti K Ghoniya	5,30,498.00	26.52%	-
Raghav M Dudhatra	1.00	0.00%	-
Vipul L Ghoniya	3,33,330.00	16.67%	-
<b>TOTAL</b>	<b>20,00,000.00</b>	<b>100.00%</b>	

#### ANNEXURE - VI DETAILS OF RESERVE & SURPLUS AS RESTATED

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Surplus i.e. balance in statement of Profit &amp; Loss as restated</b>				
Opening Balance	159.67	2.14	10.06	44.29
Opening restatement adjustments:				
Interest and Penalty on TDS for Previous Years	-	-	-	(1.26)
Deferred tax credit of earlier years	-	-	-	0.60
Depreciation expense of earlier years	-	-	-	(14.05)
Profit/(loss) for the Period	93.01	157.53	(7.92)	(19.52)
<b>TOTAL</b>	<b>252.68</b>	<b>159.67</b>	<b>2.14</b>	<b>10.06</b>

#### ANNEXURE – VII-DETAILS OF LONG TERM BORROWINGS AS RESTATED

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>				
Term Loan				
- Banks	287.07	70.40	107.30	221.42



<b>Unsecured</b>				
a) Loan from related parties				
- Directors	185.54	285.84	292.36	276.77
- Others	55.23	1.22	85.25	74.40
b) Loan from others	8.00	-	-	-
<b>TOTAL</b>	<b>535.84</b>	<b>357.46</b>	<b>484.91</b>	<b>572.59</b>

(Refer Annexure XXXVII for terms of security, repayment and other relevant details)

**ANNEXURE – VIII-DETAILS OF LONG TERM PROVISIONS AS RESTATED**

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Provision of Gratuity	7.60	7.12	0.39	0.25
<b>TOTAL</b>	<b>7.60</b>	<b>7.12</b>	<b>0.39</b>	<b>0.25</b>

**ANNEXURE – IX-DETAILS OF SHORT TERM BORROWINGS AS RESTATED**

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>				
a) Loans repayable on demand				
- Cash Credit	368.12	395.29	452.73	404.02
b) Current maturities of long-term borrowings	25.22	1.09	7.78	70.10
<b>TOTAL</b>	<b>393.34</b>	<b>396.38</b>	<b>460.51</b>	<b>474.12</b>

(Refer Annexure XXXVII for terms of security, repayment and other relevant details)

**ANNEXURE – X-DETAILS OF TRADE PAYABLES AS RESTATED**

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Due to Micro and Small Enterprises	47.65	53.03	136.31	156.28
Due to Others	140.97	148.85	230.76	150.24

<b>TOTAL</b>	<b>188.62</b>	<b>201.88</b>	<b>367.07</b>	<b>306.52</b>

(Refer Annexure - ANNEXURE - XXXI for ageing)

**ANNEXURE - XI - DETAILS OF OTHER CURRENT LIABILITIES AS RESTATED**

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Statutory Dues Payable*	25.83	48.71	37.43	27.09
Advance received from customers	31.16	32.08	47.73	63.86
<b>TOTAL</b>	<b>56.99</b>	<b>80.79</b>	<b>85.16</b>	<b>90.95</b>

**ANNEXURE – XII-DETAILS OF SHORT TERM PROVISIONS AS RESTATED**

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
a) Provision for Employee Benefit				
- Provision for Worker Salary	14.64	6.81	5.97	5.33
- Provision for Gratuity	0.39	0.36	0.02	0.01
- Provision for Directors Salary	-	13.68	9.11	8.73
- Provision for Employee Provident Fund	25.92	28.39	18.21	9.70
- Provision for TDS Provision	-	-	-	-
b) Provision for Income Tax (Net of TDS and Advance taxes)	80.80	48.39	-	-
c) Provision for Expenses				
- Provision for Interest Payable	3.62	3.57	47.86	52.92
- Provision for Rent	-	-	-	85.00
- Provision for PGVCL Expense Payable	-	-	1.30	1.41
- Provision for Electricity Expense Payable	0.70	-	-	-
- Provision for MSMED Interest	0.41	-	-	-
<b>TOTAL</b>	<b>126.48</b>	<b>101.20</b>	<b>82.47</b>	<b>163.10</b>

**ANNEXURE – XIV-DETAILS OF DEFERRED TAX ASSETS (NET) AS RESTATED**

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022

<b>Deferred Tax Assets arising on account of:</b>				
-Difference of WDV as per Companies Act, 2013 and Income Tax Act, 1961	15.36	14.85	9.04	7.60
-Expenses disallowed under Income Tax Act, 1961	2.01	1.89	0.10	0.07
-Unabsorbed Loss	-	-	4.86	3.69
<b>TOTAL</b>	<b>17.37</b>	<b>16.74</b>	<b>14.00</b>	<b>11.36</b>

**ANNEXURE - XV -DETAILS OF LONG-TERM LOANS & ADVANCES AS RESTATED**

(₹ In Lakhs)

<b>Particulars</b>	<b>As at July 31, 2024</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
TDS , Advance tax (Net of provision for tax)	-	-	2.78	1.09
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>2.78</b>	<b>1.09</b>

Note - That, the company has considered the amounts receivable from Government authorities in respect of direct taxes as Long term loans & advances

**ANNEXURE - XVI - DETAILS OF OTHER NON CURRENT ASSETS AS RESTATED**

(₹ In Lakhs)

<b>Particulars</b>	<b>As at July 31, 2024</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Security deposits	-	-	0.26	0.26
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>0.26</b>	<b>0.26</b>

**ANNEXURE – XVII-DETAILS OF INVENTORIES AS RESTATED**

(₹ In Lakhs)

<b>Particulars</b>	<b>As at July 31, 2024</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
Raw Materials	69.57	63.74	80.17	91.20
Work-in-progress	13.50	12.21	15.80	17.56
Finished goods	261.65	222.58	256.65	281.64
<b>TOTAL</b>	<b>344.72</b>	<b>298.53</b>	<b>352.62</b>	<b>390.40</b>

**ANNEXURE – XVIII-DETAILS OF TRADE RECEIVABLES AS RESTATED**

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>Unsecured, Considered Good</b>				
Trade Receivable More than Six Months	67.12	53.78	71.16	77.17
Trade Receivable Less than Six Months	255.37	183.94	307.77	323.83
<b>TOTAL</b>	<b>322.49</b>	<b>237.72</b>	<b>378.93</b>	<b>401.00</b>

(Refer Annexure - ANNEXURE - XXXII for ageing)

#### ANNEXURE – XIX-DETAILS OF CASH & BANK BALANCE AS RESTATED

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<b>a. Cash and Cash Equivalents</b>				
Cash-in-Hand	4.10	31.79	20.20	11.86
Bank Balance	1.42	2.52	0.17	0.16
<b>b. Other Bank Balances with Scheduled Bank</b>				
Fixed Deposit Receipts	-	-	-	9.50
(*having original maturity of more than 3 months and remaining maturity of less than 12 months which includes deposits given as margin money or security against borrowings.)				
<b>TOTAL</b>	<b>5.52</b>	<b>34.31</b>	<b>20.37</b>	<b>21.52</b>

#### ANNEXURE – XX-DETAILS OF SHORT TERM LOAN AND ADVANCES AS RESTATED

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Advance to Suppliers	269.01	337.62	277.86	281.09
Balance with revenue authorities	26.37	10.68	6.96	5.13
Loan to Related Parties	-	3.41	86.30	88.01
Loan to others	-	-	-	-
Interest PGVCL Receivable	-	0.19	0.41	0.29
Travel Advances	9.36	9.36	8.00	-
<b>TOTAL</b>	<b>304.74</b>	<b>361.26</b>	<b>379.53</b>	<b>374.52</b>

#### ANNEXURE – XXI-DETAILS OF OTHER CURRENT ASSETS AS RESTATED

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
TDS Receivable from NBFC	-	7.21	7.19	6.84
TDS Receivable	-	-	-	-
Cash Ledger GST	-	-	-	-
RBL Bank Loan 6238	-	-	-	-
Advance to Suppliers	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>7.21</b>	<b>7.19</b>	<b>6.84</b>

**ANNEXURE – XXII-DETAILS OF REVENUE FROM OPERATIONS AS RESTATED**

(₹ In Lakhs)

Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Goods	276.92	770.34	733.72	732.83
Sales of Services (Jobwork)	81.64	282.61	298.43	274.22
<b>TOTAL</b>	<b>358.56</b>	<b>1,052.95</b>	<b>1,032.15</b>	<b>1,007.05</b>

**ANNEXURE - XXIII -DETAILS OF OTHER INCOME AS RESTATED**

(₹ In Lakhs)

Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income	0.12	0.21	0.13	0.79
Interest Subsidy	-	1.73	1.56	1.16
Discount	-	5.53	0.98	0.63
Foreign Exchange Gain	-	-	10.16	0.33
Profit on sale of property, plant & equipment	-	-	0.74	-
<b>TOTAL</b>	<b>0.12</b>	<b>7.47</b>	<b>13.57</b>	<b>2.91</b>

**ANNEXURE - XXIV - DETAILS OF COST OF MATERIAL CONSUMED AS RESTATED**

(₹ In Lakhs)

Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock	63.74	80.17	91.20	112.79
Add: Addition During the year	98.54	182.07	259.53	301.71
Less : Closing Stock	(69.57)	(63.74)	(80.17)	(91.20)
<b>TOTAL</b>	<b>92.71</b>	<b>198.50</b>	<b>270.56</b>	<b>323.30</b>

**ANNEXURE – XXV-DETAILS OF CHANGES IN INVENTORIES OF FINISHED GOODS AS RESTATED**

(₹ In Lakhs)

Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>a) Work in Progress</b>				
Opening Stock	12.21	15.80	17.56	21.54
Closing Stock	(13.50)	(12.21)	(15.80)	(17.56)
<b>a) Finished Goods</b>				
Opening Stock	222.58	256.65	281.64	330.46
Less: Closing Stock	(261.65)	(222.58)	(256.65)	(281.64)
<b>TOTAL</b>	<b>(40.36)</b>	<b>37.66</b>	<b>26.75</b>	<b>52.80</b>

**ANNEXURE – XXVI-DETAILS OF EMPLOYEE BENEFIT EXPENSES AS RESTATED**

(₹ In Lakhs)

Particulars	For the period ended July 31, 2024	For the period ended July 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Wages	16.75	62.64	50.05	55.10
Director Remuneration	5.00	36.00	21.60	21.60
House Rent Allowance	11.39	30.60	28.19	20.01
Leave Salary	2.21	6.29	7.49	5.56
Contribution to PF & ESIC	1.72	5.29	5.45	6.07
Gratuity Expense	0.51	7.08	0.14	0.26
Bonus	-	7.02	6.54	5.83
Staff Welfare	1.38	4.02	5.06	5.97
<b>TOTAL</b>	<b>38.96</b>	<b>158.94</b>	<b>124.52</b>	<b>120.40</b>

**ANNEXURE – XXVII-DETAILS OF FINANCE COST AS RESTATED**

(₹ In Lakhs)

Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on loan from banks and financials institutions	24.70	50.03	69.14	76.63
Interest on unsecured loan	-	33.85	36.86	27.47
Interest on Statutory Dues	0.81	1.19	-	1.86
Bank Loan Processing Fees and Misc. Charges	6.18	6.13	7.04	4.77
Bank Commission / Charges	-	-	-	-
Bank Interest CC	-	-	-	-
Interest Exp (Covid19)	-	-	-	-
Interest on Late Payment	-	-	-	-
Interest (Unsecured Loan)	-	-	-	-
Interest on GST	-	-	-	-
Interest on TDS	-	-	-	-
Interest on Excise	-	-	-	-
Interest under MSMED Act	-	-	-	-

Interest on Machinery Loan	-	-	-	-
Interest to Financial Institutions Others	-	-	-	-
Loan Processing Charge	-	-	-	-
Interest on Term Loan	-	-	-	-
Bank Processing Charges	-	-	-	-
<b>TOTAL</b>	<b>31.69</b>	<b>91.20</b>	<b>113.04</b>	<b>110.73</b>

**ANNEXURE - XXVIII - DETAILS OF DEPRECIATION AND AMORTIZATION EXPENSE AS RESTATED**

(₹ In Lakhs)

Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation Expenses	42.05	117.03	91.40	103.11
Amortization Expenses	0.17	1.22	1.77	0.85
<b>TOTAL</b>	<b>42.22</b>	<b>118.25</b>	<b>93.17</b>	<b>103.96</b>

**ANNEXURE - XXIX - DETAILS OF OTHER EXPENSES AS RESTATED**

(₹ In Lakhs)

Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Manufacturing Expense:</b>				
Electric Expense	-	-	-	-
Electric Power Expense	2.80	18.83	17.79	19.33
Job work Expense / Labour Charge	51.31	195.41	214.59	110.12
Loading & Unloading Expense	0.16	-	0.78	0.37
Plant & Machinery Rent	-	-	155.00	155.00
Discount	-	-	-	-
Factory Miscellaneous Expense	0.29	0.39	0.48	0.65
Machinery Repairing Expense	2.07	1.26	2.40	4.06
Packing Expense	0.68	0.65	0.46	0.76
Custom Duty	-	-	1.31	0.54
Staff Catering Expense	0.47	6.98	5.06	3.25
<b>Administrative Expense:</b>				
Architect & Interior Expense	-	-	-	-
A.C. Repairing	-	-	-	-
Accounting Expenses	-	-	-	-
Audit Fees	0.16	0.16	0.03	0.10
Initial Fees Of Signing On Mandate	-	-	-	-
Advertisement Expense	-	-	-	0.02
Bad Debts	-	-	-	-
Computer Repairing & Maintenance	0.27	0.47	0.50	0.13

Calibration & Testing	-	-	-	-
Consultancy Fees	-	-	-	-
Donation Expense	-	0.25	0.30	0.61
Electric Repairing Expenses	-	-	-	-
Rates & Taxes	-	2.13	7.91	0.35
Factory Miscellaneous Expense	-	-	-	-
Provision for penalty u/s 271B of Income-tax Act, 1961	-	-	1.50	1.50
Insurance Expense	0.13	2.08	1.06	1.72
ISO Fees	0.12	0.27	0.30	0.25
Discount Expenses	0.02	-	-	-
Interest on Late Payments	-	-	-	-
Income Tax Expense	-	-	-	-
Repair & Maintenance	0.23	0.08	-	0.12
GST Late Fee	-	-	-	-
Late Payment Gap Interest	-	-	-	-
Loss on sale of assets	-	-	-	0.72
Legal & Professional Fee	5.25	0.87	0.54	5.33
ROC Expense	-	-	-	-
Membership Fees	-	-	-	-
Office Expense	1.49	1.85	5.32	6.19
TDS Interest and Late fees	-	0.63	-	-
Post & Courier Expense	-	-	-	-
Petrol Allowance	-0.01	-	-	-
Sales Discount	-	-	0.47	0.04
Sales Incentive	0.05	1.09	2.44	-
Uniform Expenses	-	-	-	-
Water Expense	-	-	-	-
Subscription Expense	-	0.15	0.37	0.34
Shareholder Processing Fees	0.06	-	-	-
Security Expense	0.92	2.76	2.76	2.76
Software Expense	-	0.04	0.04	-
Stationery and Postage Expense	1.07	3.92	3.96	4.78
Telephone Expense	-	-	-	-
Tender Fee Expense	-	-	-	-
Traveling Expense	0.47	0.52	0.65	1.58
Website Expense	-	-	-	-
Vehicle Expense	0.66	3.56	2.23	3.01
<b>TOTAL</b>	<b>68.67</b>	<b>244.35</b>	<b>428.25</b>	<b>323.63</b>

**ANNEXURE - XIII - DETAILS OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS AS RESTATED**

(₹ In Lakhs)

Particular	GROSS BLOCK				DEPRECIATION / AMMORTAIZATION				NET BLOCK	
	AS AT	ADDI TION S	DEDU CTIO NS	AS AT 31.07.2024	UPTO 01.04.2024	FOR THE	DED UCT	UPTO 31.07.2024	AS AT 31.07.2024	AS AT 31.03.2024



	01.04.2024					PERIOD	IONS			
<b>Property, Plant &amp; Equipment</b>										
Plant and Machinery	810.47	260.08	-	1,070.55	567.26	25.24	-	592.50	478.05	243.21
Furniture & Fixture	2.03	-	-	2.03	1.73	0.03	-	1.76	0.27	0.30
Electrical Fittings	1.55	-	-	1.55	1.33	0.02	-	1.35	0.20	0.22
Computer Systems	12.95	-	-	12.95	12.27	0.01	-	12.28	0.67	0.68
Vehicles	0.34	-	-	0.34	0.32	-	-	0.32	0.02	0.02
Office Equipments	15.81	-	-	15.81	14.15	0.24	-	14.39	1.42	1.66
Factory Land	3.25	-	-	3.25	-	-	-	-	3.25	3.25
Factory Building	280.83	-	-	280.83	81.46	6.28	-	87.74	193.09	199.37
Used Machine	140.00	-	-	140.00	41.19	10.23	-	51.42	88.58	98.81
<b>Intangible Assets</b>										
Computer Software	14.21	0.11	-	14.31	12.98	0.17	-	13.15	1.16	1.22
<b>Total</b>	<b>1,281.44</b>	<b>260.19</b>	<b>-</b>	<b>1,541.62</b>	<b>732.69</b>	<b>42.22</b>	<b>-</b>	<b>774.91</b>	<b>766.71</b>	<b>548.74</b>

Particulars	GROSS BLOCK			DEPRECIATION / AMMORTAIZATION					NET BLOCK	
	AS AT 01.04.2023	ADDITIONS	DEDUCTIONS	AS AT 31.03.2024	UPTO 01.04.2023	FOR THE YEAR	DEDUCTIONS	UPTO 31.03.2024	AS AT 31.03.2024	AS AT 31.03.2023
<b>Property, Plant &amp; Equipment</b>										
Plant and Machinery	810.47	-	-	810.47	513.93	53.33	-	567.26	243.21	296.54
Furniture & Fixture	2.03	-	-	2.03	1.63	0.10	-	1.73	0.30	0.40
Electrical Fittings	1.55	-	-	1.55	1.26	0.07	-	1.33	0.22	0.29
Computer Systems	12.95	-	-	12.95	12.15	0.12	-	12.27	0.68	0.80
Vehicles	0.34	-	-	0.34	0.31	0.01	-	0.32	0.02	0.03
Office Equipments	15.79	0.02	-	15.81	12.86	1.29	-	14.15	1.66	2.93
Factory Land	3.25	-	-	3.25	-	-	-	-	3.25	3.25
Factory Building	280.83	-	-	280.83	60.54	20.92	-	81.46	199.37	220.29
Used Machine	-	140.00	-	140.00	-	41.19	-	41.19	98.81	-

<b>Intangible Assets</b>										
Computer Software	14.21	-	-	14.21	11.76	1.22	-	12.98	1.22	2.45
<b>Total</b>	<b>1,141.42</b>	<b>140.02</b>	<b>-</b>	<b>1,281.44</b>	<b>614.44</b>	<b>118.25</b>	<b>-</b>	<b>732.69</b>	<b>548.74</b>	<b>526.98</b>

Particulars	GROSS BLOCK				DEPRECIATION / AMMORTAIZATION				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>										
Plant and Machinery	805.35	7.73	(2.61)	810.47	449.47	65.31	(0.85)	513.93	296.54	355.88
Furniture & Fixture	2.03	-	-	2.03	1.49	0.14	-	1.63	0.40	0.54
Electrical Fittings	1.55	-	-	1.55	1.16	0.10	-	1.26	0.29	0.39
Computer Systems	12.74	0.21	-	12.95	11.61	0.54	-	12.15	0.80	1.13
Vehicles	0.34	-	-	0.34	0.30	0.01	-	0.31	0.03	0.04
Office Equipments	15.18	0.61	-	15.79	10.61	2.25	-	12.86	2.93	4.57
Factory Land	3.25	-	-	3.25	-	-	-	-	3.25	3.25
Factory Building	280.70	0.13	-	280.83	37.49	23.05	-	60.54	220.29	243.21
<b>Intangible Assets</b>										
Computer Software	11.59	2.62	-	14.21	9.99	1.77	-	11.76	2.45	1.59
<b>Total</b>	<b>1,132.73</b>	<b>11.30</b>	<b>(2.61)</b>	<b>1,141.42</b>	<b>522.12</b>	<b>93.17</b>	<b>(0.85)</b>	<b>614.44</b>	<b>526.98</b>	<b>610.60</b>

(₹ In Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION / AMMORTAIZATION				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>										
Plant and Machinery	771.24	37.65	(3.54)	805.35	377.45	73.08	(1.06)	449.47	355.88	393.79
Furniture & Fixture	2.03	-	-	2.03	1.30	0.19	-	1.49	0.54	0.73

Electrical Fittings	1.55	-	-	1.55	1.03	0.13	-	1.16	0.39	0.52
Computer Systems	12.74	-	-	12.74	10.29	1.32	-	11.61	1.13	2.45
Vehicles	9.52	-	(9.18)	0.34	7.91	0.03	(7.64)	0.30	0.04	1.61
Office Equipments	14.65	0.53	-	15.18	7.27	3.34	-	10.61	4.57	7.38
Factory Land	3.25	-	-	3.25	-	-	-	-	3.25	3.25
Factory Building	275.96	4.74	-	280.70	12.47	25.02	-	37.49	243.21	263.49
<b>Intangible Assets</b>										
Computer Software	10.30	1.28	-	11.59	9.14	0.85	-	9.99	1.59	1.16
<b>Total</b>	<b>1,101.24</b>	<b>44.20</b>	<b>(12.72)</b>	<b>1,132.73</b>	<b>426.86</b>	<b>103.96</b>	<b>(8.70)</b>	<b>522.12</b>	<b>610.60</b>	<b>674.38</b>

#### ANNEXURE - XXX - DETAILS OF OTHER INCOME AS RESTATED

(₹ In Lakhs)

Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022	Nature
Other Income	0.12	7.47	13.57	2.91	
Net Profit Before Tax as Restated	124.79	211.52	(10.57)	(24.86)	
<b>Percentage</b>	<b>0.10%</b>	<b>3.53%</b>	<b>(128.43%)</b>	<b>(11.71%)</b>	

#### SOURCE OF INCOME

Interest Income on Late Payment	0.12	-	-	-	Non-Recurring and related to Business Activity
Interest Income on FD	-	-	-	0.64	Recurring and but not related to Business Activity
Interest Income PGVCL	-	0.21	0.13	0.13	Non-Recurring and not related to Business Activity
Interest Subsidy	-	1.73	1.56	1.16	Non-Recurring and not related to Business Activity
Interest on IT Refund	-	-	-	0.02	Non-Recurring and not related to Business Activity
Discount	-	5.53	0.98	0.63	Non-Recurring and related to Business Activity
Foreign Exchange Gain	-	-	10.16	0.33	Non-Recurring and related to Business Activity
Profit on sale of property, plant & equipment	-	-	0.74	-	Non-Recurring and not related to Business Activity
<b>Total Other income</b>	<b>0.12</b>	<b>7.47</b>	<b>13.57</b>	<b>2.91</b>	

**ANNEXURE – XXXI-AGEING OF TRADE PAYABLES AS RESTATED**

**I. Ageing of Creditors as at July 31, 2024**

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	32.33	15.32	-	-	47.65
(b) Others	79.57	37.94	-	23.46	140.97
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
<b>Total</b>	<b>111.90</b>	<b>53.26</b>	<b>-</b>	<b>23.46</b>	<b>188.62</b>

**II. Ageing of Creditors as at March 31, 2024**

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	53.03	-	-	-	53.03
(b) Others	125.21	-	23.64	-	148.85
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
<b>Total</b>	<b>178.24</b>	<b>-</b>	<b>23.64</b>	<b>-</b>	<b>201.88</b>

**III. 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	136.31	-	-	-	136.31
(b) Others	182.34	48.42	-	-	230.76
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
<b>Total</b>	<b>318.65</b>	<b>48.42</b>	<b>-</b>	<b>-</b>	<b>367.07</b>

**IV. 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	156.28	-	-	-	156.28
(b) Others	73.29	76.95	-	-	150.24
(c) Disputed Dues - MSME	-	-	-	-	-
(d) Disputed Dues - Others	-	-	-	-	-
<b>Total</b>	<b>229.57</b>	<b>76.95</b>	<b>-</b>	<b>-</b>	<b>306.52</b>

**ANNEXURE - XXXIII -DISCLOSURE UNDER AS-15 AS RESTATED**

**A. DEFINED CONTRIBUTION PLAN**

Particulars	For the Period ended July 31, 2024	For the Period ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
Employers' Contribution to Provident Fund and ESIC	1.72	5.29	5.45	6.07

## 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.

(₹ In Lakhs)

I. ASSUMPTIONS:	For the Period ended July 31, 2024	For the Period ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Discount Rate	7.00%	7.24%	7.22%	7.20%
Salary Escalation	5.00%	5.00%	5.00%	2.00%
Attrition Rates, based on age (% p.a.)				
Upto 40 years	2.00%	2.00%	2.00%	2.00%
From 41 years to 54 years	2.00%	2.00%	2.00%	2.00%
More than 54 years	2.00%	2.00%	2.00%	2.00%
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

(₹ In Lakhs)

II. CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATION:	For the Period ended July 31, 2024	For the Period ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
Present Value of Benefit Obligation as at the beginning of the year	7.48	0.40	0.26	-
Current Service Cost	0.66	5.34	0.07	0.26
Interest Cost	0.17	0.03	0.02	-
(Benefit paid)	-	-	-	-
Actuarial (gains)/losses	(0.33)	1.71	0.05	-
<b>Present value of benefit obligation as at the end of the year</b>	<b>7.98</b>	<b>7.48</b>	<b>0.40</b>	<b>0.26</b>

III. ACTUARIAL GAINS/LOSSES:	For the Period ended July 31, 2024	For the Period ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
Actuarial (gains)/losses on obligation for the year	(0.33)	1.71	0.05	-
Actuarial (gains)/losses on asset for the year	-	-	-	-

<b>Actuarial (gains)/losses recognized in income &amp; expenses Statement</b>	<b>(0.33)</b>	<b>1.71</b>	<b>0.05</b>	<b>-</b>
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<b>IV. EXPENSES RECOGNISED</b>	For the Period ended July 31, 2024	For the Period ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
Current service cost	0.67	5.34	0.07	0.26
Interest cost	0.17	0.03	0.02	-
Actuarial (gains)/losses	(0.33)	1.71	0.05	-
<b>Expense charged to the Statement of Profit and Loss</b>	<b>0.51</b>	<b>7.08</b>	<b>0.14</b>	<b>0.26</b>

<b>V. BALANCE SHEET RECONCILIATION:</b>	For the Period ended July 31, 2024	For the Period ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
Opening net liability	7.48	0.40	0.26	-
Expense as above	0.51	7.08	0.14	0.26
(Benefit paid)	-	-	-	-
<b>Net liability/(asset) recognized in the balance sheet</b>	<b>7.99</b>	<b>7.48</b>	<b>0.40</b>	<b>0.26</b>

<b>VI. EXPERIENCE ADJUSTMENTS</b>	For the Period ended July 31, 2024	For the Period ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
On Plan Liability (Gains)/Losses	(0.33)	1.71	0.05	-

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.

#### ANNEXURE – XXXIV-DETAILS OF ACCOUNTING RATIOS AS RESTATED

(₹ In Lakhs)

<b>Particulars</b>	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Restated Profit after Tax as per Profit & Loss Statement (A)	93.01	157.53	(7.92)	(19.52)
Tax Expense (B)	31.78	53.99	(2.64)	(5.34)
Depreciation and amortization expense (C)	42.22	118.25	93.17	103.96
Interest Cost (D)	25.51	85.07	106.00	105.96
Weighted Average Number of Equity Shares at the end of the Year Pre Bonus Issue (E1)	20,00,000	20,00,000	20,00,000	20,00,000
Weighted Average Number of Equity Shares at the end of the Year after giving effect to any bonus or split of shares	040,00,000	40,00,000	40,00,000	40,00,000

undertaken after the last balance sheet date (E2)				
Number of Equity Shares outstanding at the end of the Year (F1)	20,00,000	20,00,000	20,00,000	20,00,000
Number of Equity Shares outstanding at the end of the Year after giving effect to any bonus or split of shares undertaken after the last balance sheet date (F2)	40,00,000	40,00,000	40,00,000	40,00,000
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)	452.68	359.67	202.14	210.06
Current Assets (I)	977.47	939.03	1,138.64	1,194.28
Current Liabilities (J)	765.43	780.25	995.21	1,034.69
Earnings Per Share - Basic & Diluted <sup>1 &amp; 2</sup> (₹) (Pre-Bonus)	4.65	7.88	(0.40)	(0.98)
Earnings Per Share - Basic & Diluted <sup>1 &amp; 2</sup> (₹) (after giving effect to any bonus or split of shares undertaken after the last balance sheet date)	2.33	3.94	(0.20)	(0.49)
Return on Net Worth <sup>1 &amp; 2</sup> (%)	20.55%	43.80%	(3.92%)	(9.29%)
Net Asset Value Per Share <sup>1</sup> (₹) (Pre Bonus)	22.63	17.98	10.11	10.50
Net Asset Value Per Share <sup>1</sup> (₹) (after giving effect to any bonus or split of shares undertaken after the last balance sheet date)*	11.32	8.99	5.05	5.25
Current Ratio <sup>1</sup>	1.28	1.20	1.14	1.15
Earning before Interest, Tax and Depreciation and Amortization <sup>1</sup> (EBITDA)	192.52	414.84	188.60	185.06

**Notes -**

1. Ratios have been calculated as below:

Earnings Per Share (₹)

$$(EPS) : \frac{A}{E1 \text{ or } E2}$$

$$\text{Return on Net Worth (\%): } \frac{A}{H}$$

$$\text{Net Asset Value per equity share (₹): } \frac{H}{F1 \text{ or } F2}$$

$$\text{Current Ratio: } \frac{I}{J}$$

$$\text{Earning before Interest, Tax and Depreciation and Amortization (EBITDA): } A + (B+C+D)$$

2. Ratios are not annualised.

3. Bonus has been issued in (1:1) and resolution was passed on dt. 26/09/2024

(₹ In Lakhs)

Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax as per books (A)	124.79	211.52	(10.57)	(24.86)
Income Tax Rate (%)	25.17%	25.17%	25.17%	25.17%
MAT Rate (%)	NA	NA	NA	NA
Tax at notional rate on profits	31.41	53.24	-	-
Adjustments :				
Permanent Differences(B)				
Expenses disallowed under Income Tax Act, 1961				
- Donation	-	0.25	0.30	0.61
- Provision for penalty u/s 271B of Income-tax Act, 1961	-	-	1.50	1.50
- Penalty on Excise	-	1.00	-	-
- Interest on MSMED Act	0.41	-	-	0.14
- GST Late Fees	-	1.13	-	-
- Interest on TDS & Income Tax	1.26	1.83	-	0.02
Total Permanent Differences(B)	<b>1.67</b>	<b>4.21</b>	<b>1.80</b>	<b>2.27</b>
Income considered separately (C)				
Interest Income	(0.12)	(1.95)	(1.69)	(1.95)
Total Income considered separately (C)	<b>(0.12)</b>	<b>(1.95)</b>	<b>(1.69)</b>	<b>(1.95)</b>
Timing Differences (D)				
Depreciation as per Companies Act, 2013	42.04	117.03	91.40	103.12
Depreciation as per Income Tax Act, 1961	(40.19)	(95.17)	(86.71)	(96.17)
Profit on Sale PPE	-	-	(0.74)	-
Loss on PPE	-	-	-	0.72
Gratuity expense	0.51	7.08	0.14	0.26
Total Timing Differences (D)	<b>2.36</b>	<b>28.94</b>	<b>4.09</b>	<b>7.93</b>
Net Adjustments E = (B+C+D)	<b>3.91</b>	<b>31.20</b>	<b>4.20</b>	<b>8.25</b>
Tax expense / (saving) thereon	<b>0.98</b>	<b>7.85</b>	<b>1.06</b>	<b>2.08</b>
Income from Other Sources				
Interest Income	0.12	1.95	1.69	1.95
Income from Other Sources (F)	0.12	1.95	1.69	1.95
Income from Capital Gain				
Income from Capital Gain	-	-	-	-
Income from Capital Gain (G)	-	-	-	-
Set-off from Brought Forward Losses (H)	-	(19.29)	-	-
Taxable Income/(Loss) as per Income Tax (A+E+F+G+H)	<b>128.82</b>	<b>225.37</b>	<b>(4.68)</b>	<b>(14.66)</b>
Taxable Income/(Loss) as per MAT (A+G)	124.79	211.52	(10.57)	(24.86)



Income Tax as returned/computed	32.42	56.72	-	-
<b>Tax paid as per normal or MAT</b>	<b>Normal</b>	<b>Normal</b>	<b>Normal</b>	<b>Normal</b>

Note : The company has opted for Income tax rates specified under section 115BAA of Income Tax Act, 1961

**ANNEXURE – XXXVI-DETAILS OF RELATED PARTY TRANSACTION AS RESTATED**

(₹ In Lakhs)

Name of Related Party	Nature of Relationship	Nature Of Transaction	Amount Of transaction during the year ended July 31, 2024	Amount outstanding as on July 31, 2024 (Payable)/Receivable	Amount of transaction during the year ended March 31, 2024	Amount outstanding as on March 31, 2024 (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
Vipul L. Ghonia	Director	Salary	2.00	-	12.00	-	8.40	-	8.40	-
		Loan Received	3.42	(176.04)	67.07	(230.30)	69.10	(227.90)	145.88	(207.93)
		Loan Repaid	57.68		64.68		49.13		71.89	
		Interest	-	-	26.78	-	27.26	-	19.08	-
Kamal V. Ghonia	Director	Salary	2.00	-	12.00	-	8.40	-	8.40	-
		Loan Received	23.20	(9.25)	378.33	3.41	42.30	(8.92)	-	(24.28)
		Loan Repaid	10.54		390.65		57.67		6.31	
		Interest	-	-	-	-	3.07	-	3.09	-
		Expenditure Incurred on company behalf	0.30	-	25.54	-	-	-	-	-
Laljibhai K. Ghonia	Director	Salary	1.00	-	-	-	4.80	-	4.80	-
		Loan Received	-	-	-	(55.55)	11.00	(55.55)	2.50	(44.55)
		Loan Repaid	55.55		-		-		-	
		Interest	-	-	6.67	-	6.44	-	5.30	-
Kiran V. Ghoniya	Director	Salary	-	-	12.00	-	-	-	-	-
		Loan Received	-	(0.25)	15.85	(0.25)	11.53	9.20	-	(2.00)
		Loan Repaid	-		6.40		0.33		-	
Priti Ghonia	Relative Director	Salary	6.00	-	-	-	-	-	-	-
		Loan Received	0.19	(1.15)	23.52	(0.97)	0.04	(0.87)	-	(0.83)
		Loan Repaid	-		23.42		-		-	
		Interest	-	-	0.10	-	-	-	-	-
Jayaben Ghonia	Relative Director	Loan Received	57.14	(54.08)	-	-	-	-	-	-
		Loan Repaid	3.06		-		-		-	-

Enterprises influenced by Key Managerial Person (KMP)										
Shine Industries (Prop. Kiran V. Ghoniya)	Director's Concern	Machinery Rent	-	-	-	-	85.00	-	85.00	-
		Purchase of Machinery	-	(36.46)	65.00	(65.00)	-	-	-	-
		Loan Obtained	-	-	11.52	-	234.77	(40.36)	34.43	27.55
		Loan Repaid	-	-	51.89	-	221.96	-	117.91	-
Shine Engineering (Prop. Priti Ghonia)	Concern of Director's Relative	Machinery Rent	-	-	-	-	70.00	-	70.00	-
		Purchase of Machinery	-	(0.87)	75.00	(10.87)	-	-	-	-
		Loan Given	-	-	18.50	-	79.50	77.11	-	88.01
		Loan Received	-	-	95.61	-	2.39	-	-	
Shinning Machining Solution (Prop. Kamal V. Ghonia)	Director's Concern	Loan Obtained	-	-	-	-	-	(33.66)	-	33.66
		Loan Repaid	-	-	33.58	-	-	-	-	-
Shinning Technology (Prop. Vipul L. Ghonia)	Director's Concern	Loan Obtained	-	-	-	-	-	(10.35)	-	10.35
		Loan Repaid	-	-	10.36	-	-	-	-	-
Shree Industries (Prop. Kairvi Ankit Patoliya)	Concern of Director's Relative	Purchase of Services	22.21	(0.47)	85.94	9.34	113.06	(80.04)	7.63	2.94

**ANNEXURE - XXXVII -ANNEXURE FOR TERMS OF BORROWINGS AS RESTATED:**

Sr. No.	Name of Lender	Nature of Security	Repayment Terms	Sanction (₹ In Lakhs)	Rate of Interest	Tenure (Months)	No of O/S Installments	Instalment (₹)	Outstanding as on July 31, 2024 (₹ In Lakhs)	Outstanding as on March 31, 2024 (₹ In Lakhs)	Outstanding as on March 31, 2023 (₹ In Lakhs)	Outstanding as on March 31, 2022 (₹ In Lakhs)
1	India Infoline Finance Ltd. - 1163	(Secured against Personal Guarantee of promoters)		4.34	14.00 %	48	1	1,846.00	0.14	0.72	2.27	3.63
2	Kotak Mahindra Bank 153199165	(Secured against Personal Guarantee		2.44	5.67%	48	1	,631.00	0.08	0.37	1.22	2.01

		of promoters)										
3	Canara Bank TL 170012637938	(Primarily secured by Plant & Machinery.)	115.00	11.90 %	24			41.67	50.00	-	-	
4	Canara Bank TL 170012658804	(Primarily secured by Guaranteed Emergence Credit Line.)	74.00	9.25%	48			41.80	41.80	-	-	
5	Canara Bank TL 17300049835	(Primarily secured by Guaranteed Emergence Credit Line.)	37.00	9.25%	48			3.60	3.60	-	-	
6	Canara Bank Cash Credit 750		-	0	24			368.12	370.29	-	-	
7	Canara Bank Loan- 170012645886	(MSME MFG IND.)	-	0	24			225.00	-	-	-	
8	Cash Credit (CBI 3292968601)	(Secured against hypothecation of all goods of raw materials, work in progress and finished goods)	-	0	24			-	-	373.27	372.15	
9	Aditya Birla Capital	(Secured against Personal Guarantee of promoters)	30.00	0	24			-	-	0.41	9.99	
10	Axis Bank BPR00870454089 1	(Secured against Personal Guarantee of promoters)	40.00	0	36		,42,611.00	-	-	3.25	17.53	
11	Capital Flot Loan 1	(Secured against Personal Guarantee of promoters)	30.00	0	36		,10,546.00	-	-	-	11.05	
12	HDFC Bank Loan 93452897	(Secured against Personal Guarantee of promoters)	-					-	-	-	8.18	
13	Incred Financial Services Ltd.	(Secured against Personal	20.23	19.50 %	24			-	-	-	1.74	



**ANNEXURES FORMING PART OF THE RESTATED FINANCIAL STATEMENTS**

**ANNEXURE - XXXVIII - DETAILS OF CONTINGENT LIABILITIES & COMMITMENTS AS RESTATED**

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
<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*	25.02	20.16	5.86	0.42
<b>II. Commitments</b>				
(a) estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-	-
(b) uncalled liability on shares and other investments partly paid	-	-	-	-
(c) other commitments	-	-	-	-

\*Note: That, the interest charged as contingent liability for which company has booked liability of RCM payable on account of rent on plant and machinery (which was billed without GST) by related parties to the tune of Rs. 28.90/- Lakhs i.e. 18% of Rs. 155 Lakhs for the FY 2021-22 & 2022-23. Further, even in case of purchase of plant and machinery from related concerns in FY2023-24, no gst was changed and thus liability under RCM of Rs. 25.20/- (18% of 140 Lakhs) is booked.

**ANNEXURE XXXIX- RESTATED VALUE OF IMPORTS CALCULATED ON C.I.F BASIS BY THE COMPANY DURING THE FINANCIAL YEAR IN RESPECT OF:**

(₹ In Lakhs)

Particulars	For the period ended July 31, 2024	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
	₹	₹	₹	₹
(a) Raw Material	-	-	15.42	4.85

**ANNEXURE – XL-DUES OF SMALL ENTERPRISES AND MICRO ENTERPRISES AS RESTATED**

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	₹	₹	₹	₹
(a) Dues remaining unpaid to any supplier at the end of each accounting year				
-Principal	47.65	53.03	136.31	156.28
-Interest on the above	0.41	-	0.01	0.14
(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.	-	-	-	-

**Note :** During the period under consideration, the Company does not have any system in place to determine the bifurcation of the creditors as Micro, Small or Medium Enterprises. 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.

#### ANNEXURE – XLI-PAYMENT TO AUDITORS

(₹ In Lakhs)

Particulars	As at July 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
	₹	₹	₹	₹
Statutory Audit	0.16	0.16	0.03	0.10

#### ANNEXURE - XLII - VALUE (INCLUDING INCIDENTAL EXPENSES) OF IMPORTED AND INDIGENOUS RAW MATERIALS CONSUMED

(₹ In Lakhs)

Particulars	31st July, 2024	%	31st March, 2024	%
Raw Materials - Imported	-	0.00%	-	0.00%
Raw Materials - Indigenous	92.71	100.00%	198.50	100.00%
<b>Total</b>	92.71	100%	198.50	100%
Stores and Spares - Indigenous	-		-	

Particulars	31st March, 2023	%	31st March, 2022	%
Raw Materials - Imported	15.42	5.70%	4.85	1.50%
Raw Materials - Indigenous	255.14	94.30%	318.45	98.50%
<b>Total</b>	270.56	100.00%	323.30	100%
Stores and Spares - Indigenous	-		-	

#### ANNEXURE - XLIII - ADDITIONAL REGULATORY INFORMATION AS PER PARA Y OF SCHEDULE III TO COMPANIES ACT, 2013:

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 granted loans or advances in the nature of loans 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

Particulars	31st March, 2024		31st March, 2023		31st March, 2022	
	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
<b>Prometers</b>	3.41	100.00%	9.20	10.66%	88.01	100.00%
<b>Related Party</b>	-	-	77.11	89.34%	-	-
<b>Total</b>	<b>3.41</b>	<b>100.00%</b>	<b>86.31</b>	<b>100.00%</b>	<b>88.01</b>	<b>100.00%</b>

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 availed borrowings from banks on the basis of security of current assets and monthly returns or statements of current assets are filed by the Company with banks which are in agreement with the books of accounts except as below.

**As at March 31,2022**

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per Books of Account (₹ In Lakhs)	Amount as reported in the quarterly return/ statement (₹ In Lakhs)	Amount of difference (₹ In Lakhs)	Reason for material discrepancies
Q1	Central Bank, Canara Bank	Book debt	542.83	234.81	308.02	Due to non Completion of bank & book entries
		Stock	255.09	357.76	(102.67)	
Q2	Central Bank, Canara Bank	Book debt	613.27	258.18	355.09	Due to non Completion of bank & book entries
		Stock	260.28	382.24	(121.96)	
Q3	Central Bank, Canara Bank	Book debt	653.10	212.46	440.64	Due to non Completion of bank & book entries
		Stock	378.80	410.52	(31.71)	
Q4	Central Bank, Canara Bank	Book debt	401.00	246.24	154.76	Due to non Completion of bank & book entries
		Stock	390.40	399.40	(9.00)	

**As at March 31, 2023**

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per Books of Account (₹ In Lakhs)	Amount as reported in the quarterly return/ statement (₹ In Lakhs)	Amount of difference (₹ In Lakhs)	Reason for material discrepancies
Q1	Central Bank, Canara Bank	Book debt	594.45	209.25	385.20	Due to non Completion of bank & book entries
		Stock	255.67	398.66	(142.99)	
Q2	Central Bank, Canara Bank	Book debt	660.88	250.62	410.26	Due to non Completion of bank & book entries
		Stock	254.04	386.43	(132.39)	
Q3	Central Bank, Canara Bank	Book debt	652.00	218.77	433.23	Due to non Completion of bank & book entries
		Stock	247.27	411.05	(163.78)	
Q4	Central Bank, Canara Bank	Book debt	378.93	-	378.93	Due to non Completion of bank & book entries
		Stock	352.63	352.63	-	

**As at March 31, 2024**

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per Books of Account (₹ In Lakhs)	Amount as reported in the quarterly return/ statement (₹ In Lakhs)	Amount of difference (₹ In Lakhs)	Reason for material discrepancies
Q1	Central Bank, Canara Bank	Book debt	379.90	206.54	173.36	Due to non Completion of bank & book entries
		Stock	509.80	381.13	128.68	
Q2	Central Bank, Canara Bank	Book debt	409.12	236.03	173.10	Due to non Completion of bank & book entries
		Stock	492.08	405.42	86.66	
Q3	Central Bank, Canara Bank	Book debt	399.99	224.10	175.89	Due to non Completion of bank & book entries
		Stock	457.35	415.07	42.28	
Q4	Central Bank, Canara Bank	Book debt	237.72	-	237.72	Due to non Completion



		Stock	298.54	298.54	-	of bank & book entries
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**As at July 31, 2024**

Quarter	Name of Bank	Particulars of Securities Provided	Amount as per Books of Account (₹ In Lakhs)	Amount as reported in the quarterly return/ statement (₹ In Lakhs)	Amount of difference (₹ In Lakhs)	Reason for material discrepancies
Q1	Central Bank, Canara Bank	Book debt	304.74	-	304.74	Due to non Completion of bank & book entries
		Stock	344.72	452.76	(108.04)	

viii. The company is not declared as willful 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.

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:

% or Times	Ratios	Numerator	Denominator	For the period ended July 31, 2024	For the year ended March 31, 2024	Variation (%)
In times	(a) Current Ratio	Current Assets	Current Liabilities	1.28	1.20	6.11%
In times	(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	2.05	2.10	(2.07%)
In times	(c) Debt Service Coverage Ratio*	Earning available for Debt Service (EBITDA)	Debt Service	0.20	0.50	(59.24%)
In Percentage	(d) Return on Equity Ratio*	Net Profit After Taxes - Preference Dividend (if any)	Average Shareholder's Equity	22.90%	56.08%	(59.17%)
In times	(e) Inventory turnover ratio*	Cost of Goods Sold	Average Inventory	0.16	0.73	(77.56%)
In times	(f) Trade Receivables turnover ratio*	Net Credit Sales	Average Accounts Receivable	1.28	3.42	(62.52%)
In times	(g) Trade payables turnover ratio*	Net Credit Purchase	Average Accounts Payable	0.47	0.70	(31.95%)
In times	(h) Net capital turnover ratio*	Net Sale	Average Working Capital	1.93	6.97	(72.25%)

In Percentage	(i) Net profit ratio	Net Profit	Net sales	25.94%	14.96%	73.38%
In Percentage	(j) Return on Capital employed	Earning before Interest and Taxes	Capital Employed	10.89%	26.66%	(59.17%)
In Percentage	(k) Return on investment*	Market Value at the end of the year - Market Value at the beginning of the year - sum of cash inflows, outflows on specific date	Market Value at the beginning of the year + sum of (weight of net cash flow x cash inflow, outflow on specific date).	NA	NA	NA

Note : Since, comparative period is full financial year, hence, not comparable.

% or Times	Ratios	Numerator	Denominator	For the year ended March 31, 2024	For the year ended March 31, 2023	Variation (%)
In times	(a) Current Ratio	Current Assets	Current Liabilities	1.20	1.14	5.19%
In times	(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	2.10	4.68	(55.19%)
In times	(c) Debt Service Coverage Ratio	Earning available for Debt Service (EBITDA)	Debt Service	0.50	0.18	176.07%
In Percentage	(d) Return on Equity Ratio	Net Profit After Taxes - Preference Dividend (if any)	Average Shareholder's Equity	56.08%	-3.84%	(1558.83%)
In times	(e) Inventory turnover ratio	Cost of Goods Sold	Average Inventory	0.73	0.80	(9.36%)
In times	(f) Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	3.42	2.65	29.03%
In times	(g) Trade payables turnover ratio	Net Credit Purchase	Average Accounts Payable	0.70	0.80	(13.14%)
In times	(h) Net capital turnover ratio	Net Sale	Average Working Capital	6.97	6.81	2.29%
In Percentage	(i) Net profit ratio	Net Profit	Net sales	14.96%	(0.77%)	(2049.05%)
In Percentage	(j) Return on Capital employed	Earning before Interest and Taxes	Capital Employed	26.66%	8.33%	219.95%

In Percentage	(k) Return on investment	Market Value at the end of the year - Market Value at the beginning of the year - sum of cash inflows, outflows on specific date	Market Value at the beginning of the year + sum of weight of net cash flow * cash inflow, outflow on specific date.	NA	NA	NA
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**Reasons for Variation more than 25%:**

(a) Debt Equity Ratio: As during the current period, the profit available to shareholders increased, thus the equity funds increased.

(b) Debt Service Coverage Ratio : Ratio is increased due to decrease in other expenses for the year.

(c) Return on Equity Ratio : Ratio is increased as company became cost efficient and increase in profit during the year.

(d) Trade Receivables Turnover Ratio: As the revenue of the company got increased, the company timely collected its receivables so that its working capital doesn't get blocked for a longer period of time. Hence this ratio improved.

(e) Net profit ratio : Due to effective use of working capital and increase in revenue of the company, the ratio got improved.

(f) Return on Capital employed : Since the margins of the company got increased, thus the profit margin increased.

% or Times	Ratios	Numerator	Denominator	For the year ended March 31, 2023	For the year ended March 31, 2022	Variation (%)
In times	(a) Current Ratio	Current Assets	Current Liabilities	1.14	1.15	(0.88%)
In times	(b) Debt-Equity Ratio	Total Debt	Shareholder's Equity	4.68	4.98	(6.14%)
In times	(c) Debt Service Coverage Ratio	Earning available for Debt Service (EBITDA)	Debt Service	0.18	0.16	11.55%
In Percentage	(d) Return on Equity Ratio	Net Profit After Taxes - Preference Dividend (if any)	Average Shareholder's Equity	(3.84%)	(7.17%)	(46.39%)
In times	(e) Inventory turnover ratio	Cost of Goods Sold	Average Inventory	0.80	0.88	(9.01%)
In times	(f) Trade Receivables turnover ratio	Net Sales	Average Accounts Receivable	2.65	2.45	8.25%
In times	(g) Trade payables turnover ratio	Net Purchase	Average Accounts Payable	0.80	1.06	(23.89%)
In times	(h) Net capital turnover ratio	Net Sale	Average Working Capital	6.81	5.90	15.38%
In Percentage	(i) Net profit ratio	Net Profit	Net sales	(0.77%)	(1.94%)	(60.39%)

In Percentage	(j) Return on Capital employed	Earning before Interest and Taxes	Capital Employed	8.33%	6.46%	28.99%
In Percentage	(k) Return on investment	Market Value at the end of the year - Market Value at the beginning of the year - sum of cash inflows, outflows on specific date	Market Value at the beginning of the year + sum of weight of net cash flow * cash inflow, outflow on specific date.	NA	NA	NA

**Reasons for Variation more than 25%:**

(a) Return on Equity Ratio : The net loss during the year decreased as compared to previous year due to reduction in costs.

(b) Net Profit Ratio : Net Profit of the company increased due to reduction in cost of consumption.

(c) Return on Capital employed : Since the company used its working capital (both short term and long term) effectively, the EBIT got increased. The effect of effective capital utilisation on current year figures can be seen as analysis ratios of the company got improved in every aspect.

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.

xv. The provision of section 135 (Corporate Social Responsibility) of the Companies Act is not applicable in case of the Company.

## STATEMENT OF FINANCIAL INDEBTEDNESS

Our Company has availed borrowings in the ordinary course of our business. Set forth below is a brief summary of our aggregate outstanding borrowings as on July 31, 2024:

### SECURED BORROWINGS

As on 31<sup>st</sup> July, 2024, we have availed secured loans of which the total outstanding amount secured loan is ₹ 680.41 lakhs as of date, the details of which are as under:

*(Rs. In Lakhs)*

Sr. No.	Name of Bank	Rate of Interest (p.a)	Sanctioned Amount	Amount outstanding as on July 31, 2024	Tenure	Primary Security	Collateral Security
1.	India Infoline Finance Ltd.	14.00%	4.34	0.14	48 months	Secured against Personal Guarantee of Directors	NIL
2.	Kotak Mahindra Bank	8.00%	2.44	0.08	48 months	Secured against Personal Guarantee of Directors	NIL
3.	Canara Bank TL	11.90%	115.00	41.67	24 months	Plant & Machinery	<ul style="list-style-type: none"> <li>Industrial Land &amp; Building situated at Pipaliya RS No. 63/2-P-1, Plot No. 2, Gondal Highway, Rajkot-360311 owned by M/s Shining Tools Limited.</li> <li>Industrial Land &amp; Building situated at Pipaliya RS No. 394/p, TPS No. 4, FP No. 1205/P, Samrat Industrial area,</li> </ul>
4.	Canara Bank (GECL)	9.25%	74.00	41.80	48 months	Guaranteed Emergence Credit Line.	
5.	Canara Bank (GECL)	9.25%	37.00	3.60	48 months	Guaranteed Emergence Credit Line.	
6.	Canara Bank Term Loan	11.90%	225.00	225.00	78 Months	Plant & Machinery	
7.	Canara Bank Cash Credit	12.50%	370.00	368.12	Repayable on demand	Hypothecation over Stock and Book Debts	

						<p>Corner, B/h ST Work shop, Rajkot owned by Mrs. Kiranben Vipulbhai Ghoniya.</p> <ul style="list-style-type: none"> <li>• Residential Flat situated at E-304, Wing E, Real heights, Opp. GIDC Metoda gate 3, Metoda Rajkot owned by Mr. Kamalbhai Laljibhai Ghoniya.</li> <li>• Residential Flat situated at A-304, Wing A, Real heights, Opp. GIDC Metoda gate 3, Metoda Rajkot owned by Mr. Vipulbhai Laljibhai Ghoniya.</li> <li>• Irrevocable, unconditional joint and several personal guarantee from the following: <ul style="list-style-type: none"> <li>a) Mr. Vipulbhai Laljibhai Ghoniya</li> <li>b) Mr. Laljibhai Keshavbhai Ghoniya</li> <li>c) Mr. Kamalbhai</li> </ul> </li> </ul>
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							Laljibhai Ghoniya d) Mrs. Kiranben Vipulbhai Ghoniya.
	<b>TOTAL</b>		<b>827.78</b>	<b>680.41</b>			

## UNSECURED BORROWINGS

We have also availed Unsecured Borrowings. Set forth below is a brief summary of Unsecured Borrowings as on 31<sup>st</sup> July, 2024.

(Rs. In Lakhs)

Sr. No.	Particulars	Amount
1.	Vipul L. Ghonia	176.04
2.	Kamal V. Ghonia	9.25
3.	Kiran V. Ghoniya	0.25
4.	Priti Ghonia	1.15
5.	Jayaben Ghonia	54.08
6.	Krishna Industries	8.00
	<b>TOTAL</b>	<b>248.77</b>

## CAPITALISATION STATEMENT

### ANNEXURE – XLIV-CAPITALISATION STATEMENT AS AT JULY 31, 2024

Particulars	Pre Issue	Post Issue
Borrowings		
Short term debt (A)	393.34	-
Long Term Debt (B)	535.84	-
Total debts (C)	929.18	-
Shareholders' funds		
Share capital	200.00	-
Reserve and surplus - as Restated	252.68	-
Total shareholders' funds (D)	452.68	-
Long term debt / shareholders funds (B/D)	1.18	-
<b>Total debt / shareholders funds (C/D)</b>	<b>2.05</b>	<b>-</b>

Signatures to Annexures Forming Part Of The Restated Financial Statements "For and on behalf of the Board of Directors of Shinning Tools Limited"

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in this Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page 29, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our consolidated restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.*

*The financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our peer review auditors report which is included in this Draft Prospectus under the section titled "Restated Financial Information" beginning on page 187 of this Draft Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those described under "Risk Factors" and Forward Looking Statements" beginning on pages 29 and 21 respectively, and elsewhere in this Draft Prospectus Accordingly, the degree to which the financial statements in this Draft Prospectus will provide meaningful information depend entirely on such potential investor's level of familiarity with Indian accounting practices. Please also refer to section titled "Presentation of Financial, Industry and Market data" beginning on page 6 of this Draft Prospectus.*

### BUSINESS OVERVIEW

Our Company operate in the machinery and equipment industry, our company is one of the major manufacturer and supplier of high- performance cutting tools, specializes in providing innovative tooling solutions which includes end mills, drills and reamers. Additionally, the company provides regrinding, resharping and coating services to enhance the performance and longevity of these tools.

Our Company comes amongst the few top manufacturers of Indian market who specializes in the Designing and Manufacturing of Solid carbide cutting tool solutions for Endmill, Drill, Reamer etc. Our distinctive strength which differs us from others is that we are majorly into manufacturing of customized tools. Around 60% of our total revenue comes from manufacturing of customized tools. The Company has a completely integrated unit with state-of-the-art manufacturing facilities for every critical operation. We are not just limited as cutting tool provider rather we are into the resharping of tools also for our existing customers. Our company provides full support and guidance to our customers in maximising their productivity and profitability by providing them customized tools and fulfilling our commitments on or before time.

Since our inception, we have always been the trusted business partners in providing quality tooling solutions to achieve higher productivity, the consistency with our clients prove their trust on us. For the development and designing of standard and customized tools for special purpose applications some like Walter HELITRONIC Tool Studio, Siemens Powershape software packages are being used, and for the monitoring of product or quality check non- contact optical CNC measuring machine is used to avoid human error.

The Company serves various industries such as Aerospace, Medical, Defence, Space, Power and Energy, Automotive, Mould and Die, Casting & Foundry, General Engineering.

For details about Business Overview, please refer chapter titled “Our Business” on page 127 of this Draft Prospectus.

The following table sets forth a breakdown of our revenue from operations, as well as other key performance indicators, for the periods indicated:

(₹ in Lakhs except percentages)

Key Performance Indicator	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Revenue from Operations <sup>(1)</sup>	385.56	1052.95	1032.15	1007.05
Revenue from Operation Growth %	9.85%	2.02%	2.49%	-
EBITDA <sup>(2)</sup>	192.52	414.84	188.60	185.06
EBITDA Margin <sup>(3)</sup>	49.93%	39.40%	18.27%	18.38%
Restated Profit After Tax	93.01	157.53	(7.92)	(19.52)
PAT Margin <sup>(4)</sup>	24.12%	14.96%	(0.76%)	(1.93%)
Net Worth <sup>(5)</sup>	452.68	359.67	202.14	210.06
Capital Employed	1381.86	1113.51	1147.56	1256.77
ROE% <sup>(6)</sup>	20.55%	43.8%	(3.92%)	(9.29%)
ROCE% <sup>(7)</sup>	11.32%	8.57%	25.85%	6.45%

KPI disclosed above is certified by V S S B & Associates, Chartered Accountants the statutory auditors of our Company pursuant to their certificate dated January 3, 2025.

Notes:

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- 2) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost
- 3) EBITDA Margin is calculated as EBITDA divided by Revenue from operations
- 4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- 5) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account
- 6) Return on Equity is ratio of Profit after Tax and average Shareholder Equity
- 7) Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings (current & non-current)

#### Explanation for KPI metrics:

KPI	Explanation
Revenue from Operation	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business.
Revenue Growth Rate %	Revenue Growth rate informs the management of annual growth rate in revenue of the company in consideration to previous period
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA	EBITDA Margin (%) is an indicator of the operational profitability and financial

<b>Margin (%)</b>	performance of our business
<b>EBITDA Growth Rate %</b>	EBITDA Growth Rate informs the management of annual growth rate in EBITDA of company in consideration to previous period
<b>ROCE %</b>	ROCE provides how efficiently our Company generates earnings from the capital employed in the business
<b>Current Ratio</b>	Current ratio indicate the company's ability to bear its short term obligations
<b>Operating Cash Flow</b>	Operating cash flow shows whether the company is able to generate cash from day to day business
<b>PAT</b>	Profit after Tax is an indicator which determine the actual earning available to equity shareholders
<b>ROE/RoNW</b>	It is an indicator which shows how much company is generating from its available shareholders' funds
<b>EPS</b>	Earning per shares is the company's earnings available of one share of the Company for the period

## STATEMENT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Prospectus, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months except the following:

- i. Board of Directors of Our Company has on \_\_\_\_\_ approved the issue of share through initial public offer.
- ii. Shareholders of our company vide special resolution dated \_\_\_\_\_ approved the issue of share through initial public offer.
- iii. Our Company has repaid some of the borrowings after closing of FY 2023-24.
- iv. Appointment of three Additional Independent Directors as under:-

Name	Designation	Date of Appointment
Mr. Shyam Bhadresh Kapadia	Additional Independent Director	November 07, 2024
Mr. Grishma A Shewale	Additional Independent Director	November 07, 2024
Mr. Chand Rameshbhai Kanabar	Additional Independent Director	November 07, 2024

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled "**Financial information**" starting on page 187.

## FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled "Risk Factors" on page 29. The following are certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- General geopolitical and other global risks;

Sr. No.	Particulars	For the period ended July 31, 2024	% of Total Income	For the year ended March 31, 2024	% of Total Income	For the year ended March 31, 2023	% of Total Income	For the year ended March 31, 2022	% of Total Income
<b>A</b>	<b>INCOME</b>								
	Revenue from Operations	358.56	99.97%	1,052.95	99.30%	1,032.15	98.70%	1,007.05	99.71%
	Other Income	0.12	0.03%	7.47	0.70%	13.57	1.30%	2.91	0.29%
	<b>Total Income (A)</b>	<b>358.68</b>	<b>100.00%</b>	<b>1,060.42</b>	<b>100.00%</b>	<b>1,045.72</b>	<b>100.00%</b>	<b>1,009.96</b>	<b>100.00%</b>
<b>B</b>	<b>EXPENDITURE</b>								
	Cost of material consumed	92.71	25.85%	198.50	18.72%	270.56	25.87%	323.30	32.01%
	Changes in inventories of finished Goods	(40.36)	-11.25%	37.66	3.55%	26.75	2.56%	52.80	5.23%
	Employee Benefits Expense	38.96	10.86%	158.94	14.99%	124.52	11.91%	120.40	11.92%
	Finance costs	31.69	8.84%	91.20	8.60%	113.04	10.81%	110.73	10.96%
	Depreciation and Amortization Expense	42.22	11.77%	118.25	11.15%	93.17	8.91%	103.96	10.29%
	Other Expenses	68.67	19.14%	244.35	23.04%	428.25	40.95%	323.63	32.04%
	<b>Total Expenses (B)</b>	<b>233.89</b>	<b>65.21%</b>	<b>848.90</b>	<b>80.05%</b>	<b>1,056.29</b>	<b>101.01%</b>	<b>1,034.82</b>	<b>102.46%</b>
<b>C</b>	<b>Profit before and tax (A-B)</b>	<b>124.79</b>	<b>34.79%</b>	<b>211.52</b>	<b>19.95%</b>	<b>(10.57)</b>	<b>-1.01%</b>	<b>(24.86)</b>	<b>-2.46%</b>
<b>D</b>	<b>Tax Expense:</b>								
	(i) Current tax	32.42	9.04%	56.72	5.35%	-	0.00%	-	0.00%
	(ii) Deferred tax expenses/(credit)	(0.64)	-0.18%	(2.73)	-0.26%	(2.64)	-0.25%	(5.34)	-0.53%
	<b>Total Expenses (D)</b>	<b>31.78</b>	<b>8.86%</b>	<b>53.99</b>	<b>5.09%</b>	<b>(2.64)</b>	<b>-0.25%</b>	<b>(5.34)</b>	<b>-0.53%</b>
<b>E</b>	<b>Profit for the year (C-D)</b>	<b>93.01</b>	<b>25.93%</b>	<b>157.53</b>	<b>14.86%</b>	<b>(7.92)</b>	<b>-0.76%</b>	<b>(19.52)</b>	<b>-1.93%</b>

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international;
- Economies changes in laws and regulations that apply to the industry;
- Increasing competition in the industry;
- Company's inability to successfully implement its future growth plans;
- Our ability to retain our key clients;
- Our ability to retain our key managerial persons and other employees.

## Our Result of Operations

As a result of the various factors discussed above that affect our income and expenditure, our results of operations may vary from period to period. The following discussion on results of operations should be read in conjunction with the Restated Financial Statements of Company for the period ended July 31, 2024 and Fiscal 2024, Fiscal 2023 and Fiscal 2022:

(₹ in lakhs)

## OVERVIEW OF REVENUE AND EXPENSES

### INCOME:

#### Revenue from operations:

Revenue from operations mainly consists of revenue from sale of goods and Job work charges.

#### Other Income:

Our other income primarily comprises of Interest income, Interest Subsidy, Discounts, foreign exchange gain, profit on sale of fixed assets and miscellaneous income.

### EXPENSES:

Company's expenses consist of cost of material consumed, changes in inventories of work-in-progress, finished goods and stock in trade, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

- **Cost of material consumed**

This represents purchases related to raw material and other direct expenses.

- **Changes in Inventories of Stock in trade, work-in-progress and finished goods**

This represents changes in inventories of finished goods and work in progress.

#### Employee benefits expense

Our employee benefits expense primarily comprises of Director remuneration, salaries to staff, staff welfare expenses, wages, staff transportation expenses, staff uniform expense, contribution to PF and ESIC, Gratuity.

#### Finance costs

Our finance cost includes bank charges, bank interest on term loan, car loan, Cash credit limit and Interest on statutory dues.

#### Depreciation and amortization expense

Depreciation and amortization on tangible and intangible assets.

#### Other expenses

Our other expenses include Power expense, Job work expense, Loading & Unloading expense, Rent of Plant & Machinery, Repairs, packing expense, Custom duty, Audit expense, staff catering, advertisement expense, Consultancy, donation expense, Insurance, ISO Expense, legal fees, office expenses, TDS Interest and late fees, Sales discount & Incentives, Subscription expense, Security expense, software expense, stationary and postage expense, travelling expense, vehicle expense.

## Comparison of Financial Year 2024 with Financial Year 2023

(Amount ₹ in lakhs)

Sr. No.	Particulars	For Fiscal 2024	For Fiscal 2023	% Change
1	Revenue from Operation	1,052.95	1,032.15	2.02%
2	Other Income	7.47	13.57	-44.95%
	<b>Total Income (1+2)</b>	<b>1,060.42</b>	<b>1,045.72</b>	1.41%
3	Expenditure			
(a)	Operating Expenses	236.16	297.31	-20.57%
(b)	Employee Benefit Expenses	158.94	124.52	27.64%
(c)	Finance Cost	91.20	113.04	-19.32%
(d)	Depreciation & Amortization	118.25	93.17	26.93%
(e)	Other Expense	244.35	428.25	-42.94%
<b>4</b>	<b>Total Expenditure 3(a) to 3(e)</b>	<b>848.90</b>	<b>1,056.29</b>	-19.63%
<b>5</b>	<b>Profit/(Loss) Before Tax (1+2-4)</b>	<b>211.52</b>	<b>-10.57</b>	-2101.84%
6	Tax Expense:			
(a)	Current Tax	56.72	-	#DIV/0!
(b)	Deferred Tax	-2.73	-2.64	3.46%
	<b>Net Current Tax Expenses</b>	<b>53.99</b>	<b>-2.64</b>	-2142.32%
<b>7</b>	<b>Profit/(Loss) for the Period/Year (5-6)</b>	<b>157.53</b>	<b>-7.92</b>	-2088.33%

### Total Income:

Total income for the Fiscal year March 31, 2024 stood at ₹ 1060.42 Lakhs. Total income for the financial year March 31, 2023 stood at ₹ 1045.72 Lakhs representing an increase of 1.41%. The increase was due to increase in revenue from operations.

### Revenue from Operations:

During the Fiscal year March 31, 2024 revenue from operations was ₹ 1052.95 Lakhs. Revenue from Operations for the financial year March 31, 2023 stood at ₹ 1032.15 Lakhs representing increase of 2.02%. During the fiscal year March 31, 2024, the sale of manufactured Product was ₹ 770.34 Lakhs as against ₹ 733.72 Lakhs for the previous year ended March 31, 2023. Increased production has resulted in increased revenue.

### Other Income:

During the Fiscal year March 31, 2024, other income was ₹ 7.47 Lakhs. For financial year March 31, 2023, it was ₹ 13.57 Lakhs representing a decrease of 44.95%. The Company has earned foreign exchange gain in the Fiscal year 2023, due to which there was increase in other income.

### Total Expenses:

The Total Expenses for the Fiscal year March 31, 2024 stood at ₹ 848.91 Lakhs. The total expenses represented a decrease of 19.63 % as compared to previous year which is ₹ 1056.29 Lakhs due to the factors described below: -

### Cost of Material consumed:

Our cost of material consumed is ₹ 198.50 Lakhs for the Fiscal year March 31,2024 as compared to ₹ 270.56 Lakhs for the Fiscal year March 31,2023 representing a decrease of 26.63% due to increase in efficiency levels in our operations.

### ***Changes in Inventories***

Our changes in inventories is ₹ 37.66 Lakhs for the financial year March 31, 2024 which was ₹ 26.75 Lakhs in the financial year March 31,2023.

### ***Employee benefits expense:***

Our Company has incurred ₹ 158.94 Lakhs as Employee benefits expense for the Fiscal year March 31, 2024. It stood at ₹ 124.52 Lakhs during the financial year March 31, 2023, representing an increase of 27.64%. The overall increase in employee cost was increased due to increase in director's remuneration, staff salary, wages, House rent allowance, Bonus and gratuity.

### ***Finance costs:***

Finance costs for the Fiscal year March 31, 2024 was ₹ 91.20 Lakhs. For financial Year March 31, 2023, it was ₹ 113.04 Lakhs, representing a decrease of 19.32%, which is mainly due to the availment of low cost debt and lesser reliance on high cost debt representing Business loans.

### ***Depreciation and Amortization Expenses:***

Depreciation for the Fiscal year March 31,2024 was ₹ 118.25 Lakhs. For financial year March 31,2023, it stood at ₹ 93.17 Lakhs, representing an increase of 26.93 % due to addition of machine in assets block.

### ***Other Expenses:***

Other Expenses for the Fiscal year March 31,2024 stood at ₹ 244.34 Lakhs. For Financial Year March 31,2023, other expenses were ₹ 428.25 Lakhs. The significant decrease of 42.94% was mainly due to the decrease in Rental cost of Plant & Machinery as it was purchased by the Company in fiscal 2024.

### ***Restated Profit/ (Loss) after tax:***

The Company reported Restated profit after tax for the Fiscal year March 31, 2024 stood at ₹ 157.53 Lakhs in comparison to net loss of ₹ 7.92 Lakhs in the financial year March 31, 2023. The increase in the profit after tax was due to aforementioned reasons.

### **Comparison of Financial Year 2023 with Financial Year 2022**

*(Amount ₹ in lakhs)*

<b>Sr. No.</b>	<b>Particulars</b>	<b>For Fiscal 2023</b>	<b>For Fiscal 2022</b>	<b>% Change</b>
1	Revenue from Operation	1,032.15	1,007.05	2.49%
2	Other Income	13.57	2.91	366.32%
	<b>Total Income (1+2)</b>	<b>1,045.72</b>	<b>1,009.96</b>	<b>3.54%</b>
3	Expenditure			
(a)	Operating Expenses	297.31	376.10	-20.95%
(b)	Employee Benefit Expenses	124.52	120.40	3.42%
(c)	Finance Cost	113.04	110.73	2.09%
(d)	Depreciation & Amortization	93.17	103.96	-10.38%
(e)	Other Expense	428.25	323.63	32.33%
<b>4</b>	<b>Total Expenditure 3(a) to 3(e)</b>	<b>1,056.29</b>	<b>1,034.82</b>	<b>2.07%</b>
<b>5</b>	<b>Profit/(Loss) Before Tax (1+2-4)</b>	<b>-10.57</b>	<b>-24.86</b>	<b>-57.50%</b>

6	Tax Expense:			
(a)	Current Tax	-	-	0.00%
(b)	Deferred Tax	-2.64	-5.34	-50.53%
	<b>Net Current Tax Expenses</b>	<b>-2.64</b>	<b>-5.34</b>	<b>-50.53%</b>
7	<b>Profit/(Loss) for the Period/Year (5-6)</b>	<b>-7.92</b>	<b>-19.52</b>	<b>-59.41%</b>

### **Total Income:**

Total income for the financial year March 31, 2023 stood at ₹ 1045.72 Lakhs whereas in Financial Year March 31,2022 the same stood at ₹ 1009.96 Lakhs representing increase of 3.54%. The increase was due to increase in revenue from operations and other income.

### **Revenue from Operations:**

Revenue from Operations for the financial year March 31, 2023 stood at ₹ 1032.15 Lakhs whereas in Financial Year March 31, 2022 the same stood at ₹ 1007.05 Lakhs representing increase of 2.49%. The revenue from operation was increased due to increase volume of our business operations and higher volume of sales.

### **Other Income:**

For financial year March 31, 2023, it has increased to ₹ 13.57 Lakhs as against ₹ 2.91 Lakhs in the Financial Year March 31 2022 representing a significant increase of 366.32%. This increase was due to increase in foreign exchange gain earned by the company in the year 2022-23.

### **Total Expenses:**

For financial year March 31, 2023, it has increased to ₹ 1056.28 Lakhs from ₹ 1035.35 Lakhs in the financial year March 31,2022 representing a increase of 2.02% due to the factors described below: -

### **Cost of Material consumed**

Our Cost of Material consumed is ₹ 270.56 Lakhs for the financial year March 31, 2023 as compared to ₹323.30 Lakhs for the financial year March 31,2022 representing an decrease of 16.30%.

### **Changes in Inventories**

Our changes in inventories are ₹ 26.75 Lakhs for the financial year March 31, 2023 which is ₹ 52.80 Lakhs in the financial year March 31,2022.

### **Employee benefits expense:**

Our employees benefit expenses stood at ₹ 124.52 Lakhs during the financial year March 31,2023 as compared to ₹ 120.40 Lakhs in the financial year March 31,2022, representing an increase of 3.42%. The increase in employee cost was increased due to increase in director's remuneration, staff salary, wages, House rent allowance, Bonus and gratuity.

### **Finance costs:**

For financial Year March 31,2023, it has increased to ₹ 113.04 Lakhs as against ₹ 110.73 Lakhs during the financial year March 31, 2022 representing an increase of 2.09%, which was mainly due to the increase on unsecured loans and bank charges.



**Depreciation and Amortization Expenses:**

For financial year March 31,2023, it stood at ₹ 93.17 Lakhs as against ₹ 103.96 Lakhs during the financial year March 31, 2022, representing a decrease of 10.38%.

**Other Expenses:**

For Financial Year March 31, 2023, other expense was ₹ 428.25 Lakhs as against ₹ 323.63 Lakhs during the financial year March 31,2022. The significant increase of 32.33% was mainly due to increase in Job work charges.

**Restated Profit/ (Loss) after tax:**

The Company reported Restated Net loss for the Fiscal year March 31,2023 of ₹ 7.92 Lakhs in comparison to Net loss of ₹ 19.52 Lakhs in the financial year March 31,2022 due to aforementioned reasons.

**Cash flows**

The following table sets forth our cash flows with respect to operating activities, investing activities and financing activities for the period indicated:

<i>(₹ in lakh)</i>				
Particulars	July 31, 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net cash flow from/ (used in) operating activities	87.74	435.01	229.92	229.73
Net cash flow from/ (used in) investing activities	-260.19	-138.29	-7.24	-39.75
Net cash flow from/ (used in) financing activities	143.65	-282.78	-214.33	-189.26
<b>Net increase/(decrease) in cash and cash equivalents</b>	-28.79	13.94	8.35	0.72
Cash and cash equivalents at the beginning of the year	34.31	20.37	12.02	11.30
<b>Cash and cash equivalents at the end of the year</b>	5.52	34.31	20.37	12.02

**Cash Flows from Operating Activities**

The following is the Cash Flows from Operating Activities for the following periods:

**Period ended July 31, 2024**

Our net cash flow from operating activities was ₹87.74 lakh for the period ended July 31, 2024 as compared to the Restated Profit Before Tax of ₹ 124.79 lakh for the same period. Our operating profit before changes in working capital changes was ₹ 199.21 lakh which was primarily adjusted against increase in trade receivables, increase in other current assets, increase in short term loans and advances, increase in short term borrowing, decrease in trade payables and increase in other liabilities.

**Financial Year 2023-24**

Our net cash flow from operating activities was ₹435.01 lakh for the Fiscal 2024 as compared to the Restated Profit Before Tax of ₹211.52 lakh for the same period. Our operating profit before changes in working capital changes was ₹426.31 lakh which was primarily adjusted against increase in trade receivables, increase in other current assets, increase in short term loans and advances, increase in short term borrowing, decrease in trade payables and increase in other liabilities.

**Financial Year 2022-23**

Our net cash from operating activities was ₹229.92 lakh for the Fiscal 2023 as compared to the Restated Loss Before Tax of ₹10.57 lakh for the same period. Our operating profit before changes in working

capital changes was ₹194.99 lakh which was primarily adjusted against increase in trade receivables, increase in other assets, increase in short term loans and advances, increase in short term borrowing, increase in trade payables and decrease in other liabilities.

#### **Financial Year 2021-22**

Our net cash from operating activities was ₹ 229.73 lakhs for the Fiscal 2022 as compared to the Restated Loss Before Tax of ₹ 24.86 lakh for the same period. Our operating profit before changes in working capital changes was ₹ 191.15 lakh which was primarily adjusted against increase in trade receivables, increase in other assets, decrease in short term loans and advances, decrease in short term borrowing, increase in trade payables and increase in other liabilities.

#### **Cash Flows from Investing Activities**

Our net cash flow changes due to investing activities are significant compared to our cash flow from operating activities for period ended July 31, 2024 and the Fiscal 2024 on account of investment in fixed assets amounting to Rs. 260.19 lakhs and Rs. 140.02 lakh respectively. For Fiscal 2023 and Fiscal 2022, our net cash flow changes due to investing activities are insignificant compared to our cash flow from operating activities for respective periods.

#### **Cash Flows from Financing Activities**

##### **Period ended July 31, 2024**

Net cash used in financing activities for the period ended July 31, 2024 was ₹143.65 lakh which was on account of mainly increase in long term loans amounting to ₹175.34 lakh and interest payment amounting to ₹31.69 lakh.

##### **Financial Year 2023-24**

Net cash used in financing activities for the Fiscal 2024 was ₹-282.78 lakhs which was on account of mainly repayment of Unsecured loans amounting to ₹191.58 lakh and interest payment amounting to ₹91.20 lakh.

##### **Financial Year 2022-23**

Net cash used in financing activities for the Fiscal 2022 was ₹-214.33 lakh which was on account of mainly repayment of secured loans from banks amounting to ₹101.29 lakh and interest payment amounting to ₹113.04 lakh.

##### **Financial Year 2021-22**

Net cash used in financing activities for the Fiscal 2022 was ₹-189.26 lakh which was on account of mainly repayment of secured loans from banks and Unsecured loans amounting to ₹78.53 lakh and interest payment amounting to ₹110.73 lakh.

### **OTHER INFORMATION**

#### **Quantitative and Qualitative Disclosures about Market Risk**

Market risk is the risk of loss related to adverse changes in market prices, including interest rates. In the normal course of business, we are exposed to certain market risks including interest risk.

##### **Interest rate risk**

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments. Our operations are funded to a certain extent by borrowings. Our current loan facilities carry interest at variable rates. We mitigate risk by structuring our borrowings to achieve a reasonable, competitive cost of funding. There can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks. Further, we also keep fixed deposits and any change in interest rate results change in our interest income.

### **Liquidity risk**

Adequate and timely cash availability for our operations is the liquidity risk associated with our operations. Our Company's objective is to all time maintain optimum levels of liquidity to meet its cash requirements. We employ prudent liquidity risk management practices which inter-alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

### **Credit Risk**

We are exposed to the risk that our counterparties may not comply with their obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables. Though, we believe that our customers to be creditworthy counterparties, which limits the credit risk, however, there can be no assurance that our counterparties may not default on their obligations, which may adversely affect our business and financial condition.

### **Material Frauds**

There are no material frauds committed against our Company in the last three financial years.

### **Related Party Transactions**

We enter into various transactions with related parties in the ordinary course of business. For information relating to our related party transactions, please see Note no. 24 titled as "Related Party Disclosures" under chapter titled "*Restated Financial Statement*" beginning on page 187.

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

**1. *Unusual or infrequent events or transactions***

Except impact of Covid -19 pandemic in past on our industry, there have been no events or transactions to our knowledge which may be described as "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 187 and 233 respectively of this Draft Prospectus, to our knowledge there are no significant economic changes that may materially affect or 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 sales, 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 29 And 233 **respectively** of the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

**4. *Future changes in relationship between costs and revenues***

Other than as described in the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 29, 127 and 233 respectively, to our knowledge, there is no future changes in relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

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**5. Total turnover of each major industry segment in which our Company operates**

We are primarily engaged in the business of manufacturing of tools. Relevant industry data, as available has been included in the chapter titled “Industry Overview” beginning on page no 113 of this Draft Prospectus.

**6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “*Our Business*”, our Company has not announced any new product or service.

**7. Seasonality of business**

Our business is not subject to seasonality. For further information, see “Industry Overview” and “Our Business” on pages 113 and 127 respectively.

**8. Dependence on single or few customers**

Our business is dependent upon few customers for further details, refer “Risk Factor” on page 29 of this Draft Prospectus.

**9. Competitive conditions**

Competitive conditions are as described under the Chapters “Industry Overview” and “Our Business” beginning on pages 113 and 127 respectively of this Draft Prospectus.

**Material Developments subsequent to the period ended July 31, 2024**

Except as disclosed below, in our opinion there are no circumstances have arisen past period ended July 31, 2024 being the date of the latest financial statements as disclosed in this Draft Prospectus until the date of filing this Draft Prospectus, which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

- Our Company has allotted 20,00,000 Equity Shares on September 19, 2024 as bonus share in ratio of 1:1 (i.e. 1 Equity Shares for every one Equity Shares held), consequent to this bonus issue, our paid up Equity Capital has increased from Rs. 200.00 lakh to Rs. 400.00 lakh.
  - Our Company has allotted 1,58,400 Equity Shares on October 3, 2024 as Private Placement at the rate of Rs. 107 per Equity share, consequent to this Private Placement, our paid up Equity Capital has increased from Rs. 400.00 lakh to Rs. 415.84 lakh.
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## SECTION IX – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENT

Except as disclosed below, there are no outstanding litigations with respect to the (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; and (iv) any pending matters including civil litigation and tax proceedings, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position. In relation to point (iv) above, our board in its meeting held on 16<sup>th</sup> November, 2024, has considered and adopted a 'Policy on Disclosure of Material Events/Information', framed in accordance with Regulation 30 of the SEBI Listing Regulations ("Materiality Policy").

In terms of the Materiality Policy, any outstanding litigations, involving our Company, whose total monetary impact is equivalent to or exceeds 5% of Profit after Tax as per the latest Audited Financial Statement, for the entire Financial Year.

All the outstanding litigation civil proceedings involving our Company whose monetary impact is equivalent to or in excess of ₹ 7.88 Lakhs (5% of Rs 157.53 Lakhs) have been disclosed in this section.

#### A. LITIGATION INVOLVING OUR COMPANY

##### I. Litigation against our Company:

- a. **Litigation Involving Criminal Laws: Nil**
- b. **Litigation Involving Civil Laws: Nil**
- c. **Litigation Involving Actions by Statutory/Regulatory Authorities: Nil**
- d. **Litigation Involving Tax Liabilities: Nil**

##### i. **Direct Tax Liabilities:**

- a. A Demand Letter bearing number 2023202137245212784C dated 9<sup>th</sup> June 2022 issued by the Income Tax Department to Shining Tools Limited under Section 154 of the Income Tax Act, 1961 for the rectification, of having mistakenly considered the taxpayer as having opted for the new tax regime under Section 115BAC, disallowing deductions, which is proposed to be rectified under Section 154. However, Shining Tools Limited has been directed to pay Rs. 82,566/- (Rupees Eighty-Two Thousand Five Hundred and Sixty-Six only) without any further delay. Payment of the same was required to have been made by the Assessee on due date which was 31/10/2021 Extended Due Date 15/03/2022. The matter is currently pending.
- b. A Demand Letter bearing number 2023202237246167575C dated 20<sup>th</sup> March 2024 issued by the Income Tax Department to Shining Tools Limited under Section 143(3) of the Income Tax Act, 1961 for Scrutiny Assessment under Income Tax. However, Shining Tools Limited has been directed to pay Rs. 1,25,020/- (Rupees One Lakh Twenty-Five Thousand and Twenty only) without any further delay. Payment of the same was required to have been made by the Assessee. The matter is currently pending.
- c. A Demand Letter bearing number 2023202237246167575C dated 20<sup>th</sup> March 2024 issued by the Income Tax Department to Shining Tools Limited under Section 143(3) of the Income Tax Act, 1961 for Scrutiny Assessment under Income Tax. However, Shining Tools Limited has been directed to pay Rs. 7,19,510/-

(Rupees Seven Lakh Nineteen Thousand Five Hundred and Ten only) without any further delay. Payment of the same was required to have been made by the Assessee. The matter is currently pending.

**ii. Indirect Tax Liabilities:**

- a. Order for Determination of Tax-Ref. ID-ZD241223028839B dated 12<sup>th</sup> December 2023 issued by the Central Board of Indirect Taxes and Custom to Shining Tools Limited under Section 74 of The Central Goods and Services Tax Act, 2017 for Determination of tax not paid or short paid or erroneously refunded or input tax credit wrongly availed or utilized. However, Shining Tools Limited has been directed to pay Rs. 30,30,054.50/- (Rupees Thirty Lakh Thirty Thousand and Fifty only) without any further delay and an appeal to Appellate Authority has been made for the said order. The payment of the same is required to have been made by the Assessee. The matter is currently pending.
- b. Order No. ZD240423032736K dated 31<sup>st</sup> March 2023 issued to Shining Tools Limited and has been directed to pay Rs. 5,85,307/- (Rupees Five Lakh Eighty-Five and Three Hundred and Seven Only) without any further delay. The payment of the same is required to have been made by the Assessee. The matter is currently pending.

**b. Other Pending Material Litigation:**

**II. Litigation filed by our Company**

- a. **Litigation Involving Criminal Laws: Nil**
- b. **Litigation Involving Civil Laws: Nil**
- c. **Litigation Involving Actions by Statutory/Regulatory Authorities: Nil**
- d. **Litigation Involving Tax Liabilities:**
  - i. **Direct Tax Liabilities: Nil**
  - ii. **Indirect Tax Liabilities: Nil**
- e. **Other Pending Material Litigations:**

**B. LITIGATION INVOLVING DIRECTORS OF OUR COMPANY**

**I. Litigation against the Directors of our Company**

- a. **Litigation Involving Criminal Laws: Nil**
- b. **Litigation Involving Civil Laws: Nil**
- c. **Litigation Involving Actions by Statutory/Regulatory Authorities: Nil**
- d. **Litigation Involving Tax Liabilities:**

**i. Direct Tax Liabilities:**

- a. A Demand Letter bearing number 2013201337054890822T dated 13<sup>th</sup> March 2014 issued by the Income Tax Department to Kiranben Ghonia under Section 154 of the Income Tax Act, 1961 for the rectification, of having mistakenly considered the taxpayer as having opted for the new tax regime under Section 115BAC, disallowing deductions, which is proposed to be rectified under Section 154. However, Kiranben Ghonia has been directed
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to pay Rs. 48,970/- (Rupees Forty-Eight Thousand Nine Hundred and Seventy only) without any further delay. Payment of the same was required to have been made by the Assessee. The matter is currently pending.

**ii. Indirect Tax Liabilities: Nil**

- e. **Other Material Pending Litigation:**

**II. Litigation by The Directors of our Company**

- a. **Litigation Involving Criminal Laws: Nil**  
b. **Litigation Involving Civil Laws: Nil**  
c. **Litigation Involving Actions by Statutory/Regulatory Authorities: Nil**  
d. **Litigation Involving Tax Liabilities:**

**i. Direct Tax Liabilities: Nil**

**ii. Indirect Tax Liabilities: Nil**

- e. **Other Material Pending Litigation:**

**C. LITIGATION INVOLVING PROMOTER OF OUR COMPANY**

**I. Litigation against the Promoter of our Company**

- a. **Litigation Involving Criminal Laws: Nil**  
b. **Litigation Involving Civil Laws: Nil**  
c. **Litigation Involving Actions by Statutory/Regulatory Authorities: Nil**  
d. **Litigation Involving Tax Liabilities:**

**i. Direct Tax Liabilities:**

- a. A Demand Letter bearing number 2011201137028029030T dated 17<sup>th</sup> February 2012 issued by the Income Tax Department to Vipulbhai Ghonia under Section 143(1)(a) of the Income Tax Act, 1961 for Discrepancies or Errors in Tax Return Filing. However, Vipulbhai Ghonia has been directed to pay Rs. 3,27,040/- (Rupees Three Lakh Twenty-Seven Thousand and Forty only) without any further delay. Payment of the same was required to have been made by the Assessee. The matter is currently pending.
- b. A Demand Letter bearing number 2014201337022777021T dated 17<sup>th</sup> August 2014 issued by the Income Tax Department to Kamalbhai Ghonia under Section 143(1)(a) of the Income Tax Act, 1961 for Discrepancies or Errors in Tax Return Filing. However, Kamalbhai Ghonia has been directed to pay Rs. 57,318/- (Rupees Fifty-Seven Thousand Three Hundred and Eighteen only) without any further delay. Payment of the same was required to have been made by the Assessee. The matter is currently pending.

**ii. Indirect Tax Liabilities: Nil**

- e. **Other Pending Material Litigations:**

**II. Litigation by the Promoter of our Company**

- a. **Litigation Involving Criminal Laws: Nil**  
b. **Litigation Involving Civil Laws: Nil**  
c. **Litigation Involving Actions by Statutory/Regulatory Authorities: Nil**



**d. Litigation Involving Tax Liabilities:**

*i. Direct Tax Liabilities: Nil*

*ii. Indirect Tax Liabilities: Nil*

**e. Other Pending Material Litigations:**

**D. LITIGATION INVOLVING GROUP COMPANIES OF OUR COMPANY**

**I. Litigation against Group Companies of our Company**

**a. Litigation Involving Criminal Laws: Nil**

**b. Litigation Involving Civil Laws: Nil**

**c. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil**

**d. Litigation Involving Tax Liabilities: Nil**

*i. Direct Tax Liabilities: Nil*

*ii. Indirect Tax Liabilities: Nil*

**e. Other Pending Material Litigations: Nil**

**II. Litigation by Group Companies of our Company**

**a. Litigation Involving Criminal Laws: Nil**

**b. Litigation Involving Civil Laws: Nil**

**c. Litigation Involving Actions by Statutory/Regulatory Authorities: Nil**

**d. Litigation Involving Tax Liabilities: Nil**

*i. Direct Tax Liabilities: Nil*

*ii. Indirect Tax Liabilities: Nil*

**e. Other Pending Material Litigations: Nil**

**E. OUTSTANDING DUES TO SMALL SCALE UNDERTAKING OR ANY OTHER CREDITORS:**

As of 31 July 2024, our Company has 6 material creditors to whom the total amount of ₹ 118.75 Lakhs is outstanding. Out of total trade payables, a total amount of ₹ 47.65 Lakhs is outstanding to Small Scale Undertaking.

**F. MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET DATE**

Except as disclosed in the chapter titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page 233 of this Draft Prospectus, in the opinion of our Board, there have not arisen, since 31<sup>st</sup> December, 2024, any circumstances that materially or adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay material liabilities within the next 12 months.

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## GOVERNMENT AND OTHER APPROVALS

*Our Company has received the necessary licenses, permissions and approvals from the Central Government and appropriate State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. It must, however, be distinctly understood that in granting the approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed on this behalf.*

*Following statements set out the details of licenses, permissions and approvals obtained by the Company under various Central and State legislations for carrying out its business activities.*

The Company has its business located at the following location:

**Registered Office:** Survey no.63/2, Plot no. 2, Rajkot-Gondal Highway, At: Pipaliya, Tal: Gondal, Dist: Rajkot, Rajkot, Pipaliya, Gujarat, India, 360311

**Factory:**

### I. APPROVALS FOR THE ISSUE

#### Corporate Approvals

The following approvals have been obtained or will be obtained in connection with the Issue:

- a) Our Board of Directors have pursuant to a resolution passed at their meeting held on 16<sup>th</sup> November, 2024, authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary.
- b) The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 by Special Resolution in an Extra Ordinary General Meeting held on 19<sup>th</sup> December, 2024.

#### ISIN Number

The Company's International Securities Identification Number ("ISIN") is INE0D8001018.

#### Lender Consent

Our Company has received the consent letter on November 1, 2024, from Canara Bank, Gayatri Nagar Branch, Rajkot.

#### Stock Exchange

In-Principal approval letter dated [●] from [●] for the listing of equity shares issued by our Company pursuant to the Issue.

#### Other Approvals

1. The Company has entered into a tripartite agreement dated 22 May, 2020 with Central Depository Service (India) Limited (CDSL) and the Registrar and Share Transfer Agent, who in this case is ACCURATE SECURITIES AND REGISTRY PRIVATE LIMITED, for the dematerialization of its shares.
  2. The Company has entered into tripartite agreement into an agreement dated October 28, 2024 with the National Securities Depository Limited (NSDL) and the Registrar and Share Transfer Agent, who in this case is ACCURATE SECURITIES AND REGISTRY PRIVATE LIMITED, for the dematerialization of its shares.
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**II. APPROVALS OBTAINED BY THE COMPANY**

<b>0</b>	<b>Nature of Licenses/ Approval Granted</b>	<b>Issuing Authority</b>	<b>Registration/License No.</b>	<b>Date of Granting Renewal/ Approval</b>	<b>Validity</b>
1.	Certificate of Incorporation of the Company by the Name of Shining Tools Limited	Registrar of Companies, Gujarat, Dadra and Nagar Havelli	U29220GJ2013PLC074803	1 <sup>st</sup> May, 2013	Until cancelled or surrendered
2.	Certificate of Commencement of Business	Registrar of Companies, Gujarat, Dadra and Nagar Havelli	-	20 <sup>th</sup> May, 2013	Until cancelled or surrendered
<b>B. TAXATION RELATED APPROVALS</b>					
1.	PAN	Income Tax Department, Government of India	AATCS2354K	1 <sup>st</sup> May, 2013	Until Cancelled or Surrendered
2.	Tax Deduction Account Number (TAN)	Income Tax Department, Government of India	RKTS09585C	10 <sup>th</sup> December, 2013	Until Cancelled or Surrendered
3.	GST Registration	Assistant Commissioner, Income Tax Department, Government of India	24AATCS2354K1ZX	1 <sup>st</sup> July, 2017	Until Cancelled or Surrendered
<b>C. BUSINESS AND APPROVALS</b>					
1.	Importer Exporter License	Ministry of Commerce and Industry, Office of Jt. Director General of Foreign Trade	2414010975	17 <sup>th</sup> November, 2014	Until Cancelled or Surrendered
2.	UDYAM Certificate by the name of	Ministry of Micro, Small and Medium Enterprises.	UDYAM-GJ-20-0001828	23 <sup>rd</sup> August, 2020	Until cancelled or surrendered
3.	Factory License	Directorate Industrial	39938	15 <sup>th</sup> November, 2019	31 <sup>st</sup> December, 2027

		Safety & Health, Rajkot			
4.	ISO Certificate in accordance with ISO 9001:2015 for Manufacturing and Supply of Solid Carbide Cutting Tools	TUV SUD South Asia Private Limited	9910020042	11 <sup>th</sup> July, 2022	10 <sup>th</sup> July, 2025
5.	Legal Metrology Certificate-Application	Office of the Controller, Legal Metrology, Gujarat	SW0121724218-M009_D002_A008-1734688048343	20 <sup>th</sup> December, 2024	NA
6.	Legal Entities Identifier	Legal Entity Identifier India Limited	9845004DDCBEBAAAC0915		12 <sup>th</sup> December, 2025
7.	Fire NOC-Application	Gujarat State Fire Prevention Services	10001448940	21 <sup>st</sup> January, 2025	NA
<b>D. LABOUR RELATED APPROVALS</b>					
1.	Provident Fund Code Number under EPF Scheme	Ministry of Labour and Employment, Government of India	GJRAJ1967236000	10 <sup>th</sup> June, 2019	Until Cancelled or Surrendered

## DOMAIN

<b>E. THE DETAILS OF DOMAIN NAME REGISTERED IN THE NAME OF THE COMPANY:</b>					
Sr. No	Domain Name	Registry/ Domain ID	Registrant name, IANA ID	Creation Date	Registration Expiry Date
1	<a href="http://www.tixnatools.com">www.tixnatools.com</a>	PDR Ltd. d/b/a PublicDomainRegistry.com	IANA ID, 303	26 <sup>th</sup> June 2012	26 <sup>th</sup> June 2025

## PENDING APPROVALS

Sr. No.	Nature of the License	Issuing Authority	Application Date	Application Number	Class	Status/Validity
<b>A. Intellectual Property Rights Related Approvals</b>						
1.	 Company has Registered this trademark under Class 7.	Controller General of Patents, Design & Trademarks, Govt. of India	5 <sup>th</sup> July, 2012	2359094	7	Registered

*[Remainder of the page has been intentionally left blank]*

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE OFFER**

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on November 16, 2024 subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 62(1)(c) vis-à-vis of the Companies Act, 2013.

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The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 62(1) (c) vis-à-vis of the Companies Act, 2013 at the EGM of our Company held on December 19, 2024.

#### **IN-PRINCIPLE APPROVAL**

The Company has obtained approval from BSE, vide letter dated [•] to use the name of BSE in this Offer Document for listing of equity shares on the SME Platform of BSE Limited i.e. BSE SME. BSE is the designated stock exchange.

The Board of Directors of our Company have approved this Draft Prospectus, vide a resolution, passed at its meeting held on [●]

#### **PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES**

Our Company, Promoters, Promoter Group and Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

#### **PROHIBITION BY RBI**

Neither our Company, nor Promoter, nor Promoter Group, nor any of our Directors or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrowers, 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 under chapter titled “Outstanding Litigations and Material Developments” beginning on page 246 of this Draft Prospectus.

#### **COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018**

Our Company, Promoter and Promoter Group, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Prospectus.

#### **DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET**

None of our Directors are associated with the securities market and there has been no outstanding action initiated by SEBI against them in the five years preceding the date of this Draft Prospectus.

#### **CONFIRMATION**

1. Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Prospectus.
2. Our Directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our Directors are associated as promoters or directors in past (5 five) years.

#### **DECLARATION AS WILFUL DEFAULTERS & FUGITIVE ECONOMIC OFFENDER**

Neither our Company, our Promoters, our Directors, have been identified as a wilful defaulter or a fugitive economic offender by the RBI or other government authorities.

#### **ELIGIBILITY FOR THE ISSUE**

Our company is an —Unlisted Issuer in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an Initial Public Offerl in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229 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 ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Platform”, in this case being the BSE Emerge). Our Company also complies with eligibility conditions laid by SME Platform of BSE Emerge for listing of Equity Shares.

#### **We confirm that:**

1. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, the lead manager shall ensure that the issuer shall file copy of the draft Prospectus/prospectus with SEBI along with Due Diligence certificate including additional confirmations as required at the time of filing the Draft Prospectus/Prospectus to SEBI.
2. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further

details pertaining to said underwriting please see —General Information on page no. 65 of this Draft Prospectus.

3. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be unblocked forthwith. If such money is not unblocked within four working days from the date our Company becomes liable to unblock it, then our Company and every officer in default shall, on and from expiry of four days, be liable to unblock such application money with interest as prescribed under the SEBI Regulations, the Companies Act, 2013 and applicable laws.
4. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, we shall enter into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see —General Information on page no. 65 of this Draft Prospectus.

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.

**1. The issuer should be a Company incorporated Under Companies Act, 1956/2013**

Our Company is incorporated under the Companies Act, 2013

**2. The post issue paid up capital of the company (face value) shall not be more than Rs. 25 crores.**

The post issue paid up capital (face value) of the Company will be Upto [●] Crore, less than Rs. 25 crores.

**3. Track Record**

**(A) The Company should have Track Record of at least 3 years.**

Our Company was incorporated on May 01, 2013, under the provisions of the Companies Act, 2013 vide certificate of incorporation issued by Registrar of Companies. Therefore, we are in compliance with criteria of having track record of 3 years

**(B) The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.**

(C in lakhs)

Particulars	July 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Operating profit (EBIDT) from operations for at least any 2 out of 3 financial years.	192.52	414.84	188.6	185.06
Net worth as per Restated Financial statement	452.68	359.67	202.14	210.06

**4. Other Requirements: We confirm that**

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

There is no winding up petition against the company that has been admitted by the NCLT/ Court and accepted by a court or a Liquidator has not been appointed.

No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the BSE SME Platform.

**5. Disclosures**

We confirm that

- i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Promoters/promoting Company(ies), group companies, companies promoted by the Promoters/promoting companies of the Company.
- ii. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, Promoters/promoting Company(ies), group companies, companies promoted by the Promoters/promoting Company(ies) during the past three years.

#### **SEBI DISCLAIMER CLAUSE**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE 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 OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MERCHANT BANKER, SOBHAGYA CAPITAL OPTIONS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE 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 INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER SOBHAGYA CAPITAL OPTIONS PRIVATE LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI A DUE DILIGENCE CERTIFICATE DATED JANUARY 31, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/OFFER DOCUMENT.**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26, 30, 32 AND SECTION 33 OF THE COMPANIES ACT, 2013.**

#### **Disclaimer Clause of the BSE:**

"BSE Limited ("BSE") has vide its letter dated [●] given permission to "Shining Tools Limited" to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner :

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document;  
or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will



continue to be listed on BSE; or

- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE/other regulatory authority. Any use of the SME platform and the related services are subject to Indian laws and Courts exclusively situated in Mumbai".

#### **CAUTION- DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS AND THE LM**

Our Company, our Directors, and the LM accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website: [www.tixnatools.com](http://www.tixnatools.com) or any website of any affiliate of our Company, any of the Group Companies, would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement entered into between the Underwriter, and our Company. All information shall be made available by our Company and the LM to the public and investors at large including our website: [www.tixnatools.com](http://www.tixnatools.com), [www.sobhagyacapital.com](http://www.sobhagyacapital.com) would be doing so at their own risk 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 Bidding centres or elsewhere.

None among our Company, or any member of the Syndicate is liable for any failure in uploading the Applications due to faults in any software/ hardware system or otherwise; the blocking of Application 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.

#### **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 not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial

institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs. 2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Prospectus does not, however, constitute an invitation to subscribe to the equity shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad 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 the Draft Prospectus had been filed with BSE SME for its observations and BSE SME gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red 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 of this Draft Prospectus or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislations and Draft Prospectus in each jurisdiction, including India.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the —Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, —U.S. persons (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to —qualified institutional buyers (as defined in Rule 144A of the Securities Act), and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

#### **LISTING**

Application will be made to the “BSE Limited” for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The BSE Limited has given its in-principle approval for using its name in the Offer Document vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited,

Our Company shall refund through verifiable means the entire monies received within 4 (four) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within 4 (four) days after our Company becomes liable to repay it our Company and every Director of our Company who is an officer in default shall, on and from the expiry of the 4th (fourth) day, be jointly and severally liable to repay that money with interest at the rate of 15 (fifteen) per cent. per annum.

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#### **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

—Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of Companies Act, 2013

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## **CONSENTS**

Consents in writing of (a) Our Directors, Peer Review Auditor(s) and Statutory Auditor(s), Company Secretary & Compliance Officer, Chief Financial Officer, Banker(s) to the Company; (b) Lead Manager, Underwriters, Market Maker, Registrar to the Issue, Banker to the Issue and Legal Advisor to the Issue to act in their respective capacities have been/will be obtained (before filing final prospectus to ROC) and will be filed along with a copy of the Prospectus with the ROC, as required under Section 26 of the

Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC.

Our Company has received written consent of our Statutory Auditors, M/s V S S B & Associates, Chartered Accountants to include their name as required under Section 26(5) of the Companies Act 2013 in this Draft Prospectus, and as an “expert”, as defined under Section 2(38) of the Companies Act 2013 in respect of the examination report of the Statutory Auditors on the Restated Financial Statements dated 31<sup>st</sup> December 2024 and the statement of possible tax benefits dated 31<sup>st</sup> December 2024 included in this Draft Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under Securities Act.

## **EXPERT OPINION**

Except for Peer Review Auditors’ reports on the restated financial statements issued by M/s V S S B & ASSOCIATES., and Statement of Tax Benefits issued by M/s V S S B & ASSOCIATES., Chartered Accountants; we have not obtained any other expert opinions.

## **PREVIOUS PUBLIC OR RIGHTS ISSUE**

Company has not made any Public or Right issue during last five years.

## **COMMISSION OR BROKERAGE**

We have not made any public issue in last five years. Hence, no sums have been paid or payable as Commission or Brokerage.

## **COMMISSION PAYABLE TO SCSBS**

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The brokerage and selling commission payable to SCSBs for the ASBA Application Forms procured by them would be at par as payable to brokers for the Application forms procured by them. However, in case, where ASBA

Application Form are being procured by Syndicate Members / sub syndicate, then selling commission would be payable to Syndicate Members / sub syndicate and for processing of such ASBA Application Form, SCSBs would be given a prescribe fee of ` 10/- per ASBA Application Form processed by them.

#### **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Our Company and Group Companies/Entities have not made any capital issue during the last three years.

#### **PERFORMANCE VIS-À-VIS objects;**

Except as stated in the chapter titled “*Capital Structure*” beginning on page 74 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last 5 years and are an —Unlisted Issuer in terms of SEBI (ICDR) Regulations and this Issue is an —Initial Public Offering in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies and Promoter Group Companies have their equity shares listed on any stock exchange.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Sobhagya Capital Options [Private Limited](#), as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, and the website of Lead Manager at [www.sobhagyacapital.com](http://www.sobhagyacapital.com)

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**For details regarding the price information and track record of the past issue handled by SOBHAGYA CAPITAL OPTIONS PRIVATE LIMITED, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer to Annexure “A” to this Draft Prospectus and the website of BRLM at [www.sobhagyacapital.com](http://www.sobhagyacapital.com). Track Record of the public issues managed by the BRLM as specified in Circular reference CIR/MIRSD/1/2012 Dated January 10, 2012 issued by the SEBI; The Lead Merchant Banker has not filed any issues, main board or SME issues, on any of the stock exchanges in the current financial year and two financial years preceding the current financial year other than Safety Controls & Devices Limited in Emerge Platform of National Stock Exchange of India Limited, Amtech Esters Limited, Asston Pharmaceuticals Limited and Western Overseas Study Abroad Limited SME Platform of BSE Limited.**

#### **Track Record of past issues handled by Sobhagya Capital Options Private Limited**

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: [www.sobhagyacapital.com](http://www.sobhagyacapital.com)

#### **STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

#### **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

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 and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or

grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web- based complaints redress system SCORES. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on November 16, 2024. For further details, please refer the chapter titled “*Our Management*” on page no. 162 of Draft Prospectus.

Our Company has also appointed Mrs. Sneha Dhawal Shah as the Company Secretary and Compliance Officer of our company, for this Issue she may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Mrs. Sneha Dhawal Shah**

Shining Tools Limited

**Corporate Office Address:** Survey No.63/2,

Plot No.2, On Rajkot-Gondal Highway,

At Pipaliya, Tal. : Gondal, Dist.: Rajkot, Gujarat-360311, India

**Tel No:** +91 9726744244

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

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

**SECTION X – ISSUE RELATED INFORMATION**

## TERMS OF THE ISSUE

*The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Prospectus, Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and/or any other authorities while granting its approval for the Issue.*

### **Authority for the Issue**

The present Public Issue of up to 15,00,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on 16<sup>th</sup> Novemeber,2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on 19<sup>th</sup> December,2024 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, SEBI Listing Regulations, SEBI ICDR Regulations, SCRA read with SCRR, the Memorandum of Association and the Articles of Association and shall rank Pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend and other corporate benefits, if any, declared by us after the date of Allotment/transfer in accordance with the provisions of the Companies Act and the Articles of Association. For further details, please refer to chapter titled "*Description of Equity Shares and Terms of Articles of Association*" on page 313.

### **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 any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation 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 and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to section titled "*Dividend Policy*" and "*Main Provisions of Article of Association*" beginning on page **Error! Bookmark not defined.** and 313 respectively.

### **Face Value and Issue Price**

The face value of each Equity Share is ₹ 10 are being issued in terms of the Draft Prospectus/ Prospectus at the price of Rs. [●] per Equity Share (including premium of Rs. [●] per share).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under section titled "*Basis of Issue Price*" beginning on page 104. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Compliance with SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- a) Right to receive dividend, if declared;
- b) Right to receive Annual Reports and notices to members;
- c) Right to attend general meetings and exercise voting rights, unless prohibited by law;
- d) Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- e) Right to receive offer for rights shares and be allotted bonus shares, if announced;
- f) Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- g) Right of free transferability of the Equity Shares; subject to applicable laws including any RBI rules and regulations; and
- h) 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, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to section titled "*Main Provisions of the Articles of Association*" beginning on page 313.

### **Allotment only in Dematerialized Form**

As per the provisions of the Depositories Act, 1996, the regulations made under and Section 29(1) of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares to be allotted must 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. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated October 28, 2024 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated May 22, 2020 between CDSL, our Company and Registrar to the Issue.



### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful Applicants.

Further, in accordance with SEBI ICDR Regulations the minimum application size in terms of number of specified securities shall not be less than ₹1.00 Lakh per application.

### **Minimum Number of Allottees**

In accordance with Regulation 268(1) of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within two (2) Working days of closure of Issue.

### **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 Gujarat.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933 ("Securities Act") or any state securities laws in the United States, and may not be Issued or sold within the United States (as defined in Regulations under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being Issued or sold outside in offshore transactions in compliance with Regulations under the Securities Act and the applicable laws of the jurisdiction where those Offer and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### **Nomination Facility to Investor**

In accordance with Section 72(1) and 72(2) of the Companies Act and Rule 19 of companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72(3) of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section

72(4) of the Companies Act, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Withdrawal of the Issue**

Our Company in consultation with the LM, reserve the right to not proceed with the Issue, in whole or in part thereof, 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 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 LM, through the Registrar to the Issue, shall notify the SCSBs and the Sponsor Bank (in case of RIBs using the UPI Mechanism), to unblock the bank accounts of the ASBA Applicants and the Escrow Collection Bank to release the application amounts to the Investors, within 1 Working Day from the date of receipt of such notification. Our Company shall also inform the same to the BSE on which the Equity Shares are proposed to be listed. In terms of the UPI Circulars, in relation to the Issue, the LM will submit reports of compliance with T+3 listing timelines and activities, identifying non adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it. Further, in case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 2 Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum, whichever is higher for the entire duration of delay exceeding 2 Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in its sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

If our Company in consultation with the LM withdraws the Issue after the Issue Closing Date and thereafter determine that they will proceed with public Issue of the Equity Shares, our Company shall file a fresh Draft Prospectus with SEBI and the Stock Exchanges. Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC.

### **Issue Program:**

<b>Issue Opens on</b>		[•]
<b>Issue Closes on</b>		[•]
<b>An indicative timetable in respect of the Issue is set out below:</b>		
<b>Event</b>		<b>Indicative Date</b>
Issue Closing Date		[•]

Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account*	[●]
Credit of Equity Shares to Demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

\* In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of Rs 100 per day or 15% per annum of the application amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate Rs 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the application amount, the Applicant shall be compensated at a uniform rate of Rs 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Application, exceeding two Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of Rs 100 per day or 15% per annum of the application amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The LM shall be liable for compensating the Applicant at a uniform rate of Rs 100 per day or 15% per annum of the application amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. The Applicant shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.

The processing fees for applications made by UPI Applicant for an amount of more than ₹ 2,00,000 and up to ₹ 5,00,000, 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 Issue Closing Date, is indicative and does not constitute any obligation on our Company or the LM.**

**SEBI is in the process of streamlining and reducing the post issue timeline for initial public Issue and has vide SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 notified the proposal for reducing the time period for listing of shares in public issue from existing 6 days to 3 days. The revised timeline of T+3 days has been made applicable in two phases i.e. voluntary for all public issues opening on or after September 1, 2023 and mandatory on or after December 1, 2023. It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.**

**In terms of the UPI Circulars, in relation to the Issue, the LM 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 Application/ 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.**

**Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within 3 Working Days, of the Issue Closing Date or such period as may be prescribed, the timetable may change due to various**

factors, such as extension of the Issue Period by our Company in consultation with the LM, revision of the Price or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

**Submission of Applications (other than Bids from Anchor Investors):**

<b>Issue Period (except the Issue Closing Date)</b>	
Submission and Revision in Applications	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
<b>Issue Closing Date*</b>	
Submission of Electronic Applications (Online ASBA through 3-in-1 accounts) –For Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of Electronic Applications (Bank ASBA through Online channels like Internet Banking, Mobile Banking and Syndicate UPI ASBA applications where Bid Amount is up to ₹500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of Electronic Applications (Syndicate Non-Retail, Non-Individual Applications)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of Physical Applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of Physical Applications (Syndicate NonRetail, Non-Individual Applications of QIBs and NIIs where Bid Amount is more than ₹500,000)	Only between 10.00 a.m. and up to 12.00 p.m. IST
<b>Modification/ Revision/cancellation of Bids</b>	
Modification of Bids by QIBs and Non-Institutional Bidders categories and modification/cancellation of Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion#	Only between 10.00 a.m. and up to 5.00 p.m. IST

*\*UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date.*

*#QIBs and Non-Institutional Bidders can neither revise their Bids downwards nor cancel/withdraw their Bids*

**On the Issue Closing Date, the Applications shall be uploaded until:**

- i. 4.00 p.m. IST in case of Applications by QIBs and Non-Institutional Applicants, and
- ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of applications by Retail Individual Investors and other reserved categories.

On Issue Closing Date, extension of time will be granted by Stock Exchange only for uploading Applications received by Retail Individual Investors after taking into account the total number of Applications received and as reported by the LM to the Stock Exchange.

It is clarified that Applications not uploaded on the electronic application system or in respect of which the full application amount is not blocked in the relevant ASBA Account, would be rejected.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and in any case, not later than 1:00 P.M. IST on the Issue Closing Date. Any time mentioned in this Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public offerings in India, it may lead to some applications may not get uploaded due to lack of sufficient time. Such applications that could not be uploaded on the electronic bidding systems were not considered for allocation under this Issue. Bids and any revisions in bids will only be accepted during the working days, during the Issue period. Bids were accepted only during Monday to Friday (excluding any public holiday), during the Issue period. Investor may please note that as per letter number list/smd/sm/2006 dated July 3, 2006 and letter number NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in the bids would not be accepted on Saturdays, Sundays and Public Holiday as declared by the stock exchanges. Bids by ASBA bidder were uploaded by the designated intermediary in the electronic system to be provided in the stock exchange. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period till 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing. None of our Company or any member of the Syndicate shall be liable for any failure in uploading the Applications due to faults in any software or hardware system or blocking of application amount by SCSBs on receipt of instructions from the Sponsor Bank due to any errors, omissions, or otherwise non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in the UPI Mechanism.

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

### **Minimum Subscription and Underwriting**

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, this Issue is 100% underwritten, so this Issue is not restricted to any minimum subscription level.

As per Section 39 of the Companies Act, if the "stated minimum amount" has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of Prospectus, the application amount has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Issue document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond 4 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 2013 and applicable law.

In accordance with Regulation 260(1) of the SEBI ICDR Regulations, the Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire one hundred percent of the Issue through this Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than ₹ 1, 00,000 (Rupees One Lakh) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## **Migration to Main Board**

As per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI ICDR Regulations (applicable to SME companies) and pursuant to BSE Circular dated November 24, 2023, respectively our Company must mandatorily be listed and traded on the BSE SME for a minimum period of three years from the date of listing. Our Company will be eligible to migrate to the Main Board of the BSE after these three years and subject to certain conditions as laid down in the aforementioned BSE circular.

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of BSE from the BSE SME on a later date subject to the following:

If the Paid-up Capital of the company is more than ₹ 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and if the issuer fulfils the eligibility criteria for listing as laid down by the Main Board.

## **Market Making**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE Limited (BSE SME), wherein the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the BSE for a minimum period of 3 years from the date of listing on the BSE. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please refer to section titled "*Details of Market Making Arrangement for this Issue*" under chapter titled "*General Information*" on page 65.

## **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, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE Limited.

## **As Per the Extant Policy of the Government of India, OCBs Cannot Participate in This Issue**

As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20 / 2000-RB dated May 03, 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 Offer provided it obtains prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for Equity Share allocation.

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.

## **Allotment of Equity Shares 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.

### **New Financial Instruments**

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Application by Eligible NRIs, FPIs / FIIs Registered with SEBI, VCFs Registered with SEBI And Eligible QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs / FIIs registered with SEBI or VCFs or Eligible QFIs. Such Eligible NRIs, Eligible QFIs, FIIs 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 Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India / RBI while granting such approvals.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed under section titled "**Capital Structure**" beginning on page 74, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "**Main Provisions of the Articles of Association**" beginning on page 313.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are

not liable to inform the Applicants of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

### **ISSUE STRUCTURE**

This Issue is being made in terms of Regulation 229(1) of Chapter IX of SEBI ICDR Regulations as amended from time to time, whereby, an issuer whose post issue paid-up capital is less than or equal to ₹10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“**SME Exchange**” in this case being the SME Platform of the BSE).

For further details regarding the salient features and terms of such an Issue please refer to the chapter titled "**Terms of the Issue**" and "**Issue Procedure**" beginning on pages 263 and 276, respectively.

Initial Public Issue of 15,00,000 Equity Shares of ₹10 each (the "**Equity Shares**") for cash at a price of ₹ 110 per Equity Share.



The Issue comprises a reservation of 75,600 Equity Shares of ₹10 each for subscription by the Market Maker ("**Market Maker Reservation Portion**").

The Issue is being made through the Fixed Price Process.

Particulars	Market Maker Reservation Portion	Non-Institutional Applicants	Retail Individual Investors
<b>Number of Equity Shares available for allocation</b>	75,600 Equity Shares	7,12,200 Equity Shares	7,12,200 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	5 % of the Issue Size	47.48 % of the Net Issue will be available for Allocation	47.48 % of the Net Issue will be available for Allocation
<b>Basis of Allotment</b>	Firm Allotment	Proportionate	Proportionate subject to minimum allotment as explained in the section titled <i>Basis of Allotment</i> under chapter titled " <b>Issue Procedure</b> " on page 276.
<b>Mode of Application</b>	Only through the ASBA process	Through ASBA Process through banks or by using UPI ID for payment up to Rs. 5,00,000, as applicable	Through ASBA Process through banks or by using UPI ID for payment, as applicable
<b>Mode of Allotment</b>	Compulsorily in dematerialized form		
<b>Minimum Application Size</b>	[●] Equity Shares	Such number of Equity shares in multiple of [●] Equity Shares such that the Application size must not be less than ₹2,00,000	Such number of Equity shares in multiple of [●] Equity Shares such that the Application size does not exceed ₹2,00,000
<b>Maximum Application Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the issue, subject to limits as applicable to the Applicant	Such number of Equity shares in multiple of [●] Equity Shares that the Application size does not exceed ₹2,00,000
<b>Trading Lot</b>	[●] Equity Shares, however, the Market	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Particulars</b>	<b>Market Maker Reservation Portion</b>	<b>Non-Institutional Applicants</b>	<b>Retail Individual Investors</b>

	Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations
<b>Terms of Payment</b>	Full Application Amount will be blocked by the SCSBs in the bank account of the Applicant including UPI ID in case of UPI Bidders, that is specified in the Application Form at the time of submission of the Application Form.

This Issue is being made in terms of Chapter IX of the SEBI ICDR Regulations as amended from time to time. For further details please refer to “*Issue Procedure*” on page 276.

The Present Issue is a fixed price issues the allocation in the Net Issue to the public category in terms of Regulation 253(2) of the SEBI ICDR Regulations will be made as follows:

i. minimum 50% to Retail Individual Investors; and ii. remaining to:

- individual applicants other than Retail Individual Investors; and
- other investors, including corporate bodies or institutions, irrespective of the number of specified securities applied for;

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

Explanation. - For the purpose of sub-regulation (2), if the Retail Individual Investor category is entitled to more than fifty percent of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.

**Note:** Applicants will be required to confirm and will be deemed to have represented to our Company, the Lead Manager, the Underwriter, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

In case of joint applications, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Applicant would be required in the Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders.

## **WITHDRAWAL OF THE ISSUE**

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will, within 2 (two) days thereof, provide reasons for such withdrawal, by way of issue of public notice which will be published in the same newspapers where the pre-Issue advertisements were published.

We will inform the Stock Exchange promptly in this regard and the Lead Manager, through the Registrar to the Issue, will notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case our Company withdraws the Issue after the Issue Closing Date and subsequently

decides to undertake a public offering of Equity Shares, our Company will file a fresh draft prospectus with the Stock Exchange where the Equity Shares may be proposed to be listed.

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

In terms of the SEBI Regulations, non- retail Applicants shall not be allowed to withdraw their Application after the Offer Closing Date.

## ISSUE PROCEDURE

All applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI ("General Information Document") and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section "PART B – 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 Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc. shall be applicable to Public Issue opening on or after January 1, 2022 and October 1, 2021 respectively.

Additionally, all applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of applicants eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for applicants applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note ("CAN") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface ("UPI") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("UPI Phase I"). The UPI Phase I was effective up to 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 no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Applications by Retail Individual Investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days 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 of T+3 days for the UPI Mechanism for applications by UPI Applicants ("**UPI Phase III**"), and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after

December 1, 2023. The Issue has been made under UPI Phase III of the UPI Circular on a mandatory basis, subject to any circulars, clarification or notification issued by the SEBI from time to time. The Issue will be advertised in all editions of an English national daily newspaper; (ii) all editions of a Hindi national daily newspaper, and (iii) Marathi editions of the Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is located) on or prior to the Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites. The Offer 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, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, circular no.

SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and 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 issues and redressing investor grievances. This circular is effective for initial public issues opening on or after May 01, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021, and the provisions of this circular, as amended, are deemed to form part of this Prospectus. Furthermore, SEBI vide its circular no.

SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, has mandated all individual investors applying in the Offer up to ₹5,00,000 to use the UPI Mechanism for submitting their Applications with (i) a Syndicate Member; (ii) a Registered Broker at the Broker Centre; (iii) a Collecting Depository Participant; and (iv) the Registrar to the Offer. Subsequently, pursuant to the May 30, 2022 Circular, applications made using the ASBA facility in initial public Issues shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to 2 Working Days. In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding 2 Working Days from the Application/Issue Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding two Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking of amounts in the ASBA Accounts.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

Further, our Company and the LM are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the Full Application Amount along with the Application Form.

### **Phased implementation of Unified Payments Interface**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no.

SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, had extended the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, decided to continue Phase II of UPI with ASBA until further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

**Phase III:** This phase has become applicable on a mandatory basis for all public issues opening on or after December 1, 2023 as per the SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue 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 from time to time.

All SCSBs Issuing facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers 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 Applicants into the UPI mechanism.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI 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 Applicants to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the LM will be required to compensate the concerned investor.

The Issue will be made under UPI Phase III of the UPI Circular. All SCSBs issuing facility of making application in public issues shall also provide facility to make application using UPI.

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/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 02, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. NPCI vide circular reference no. NPCI/UPI/OC No. 127/ 2021-22 dated December 09, 2021, inter alia, has enhanced the per transaction limit in UPI from more than ₹2,00,000 to ₹5,00,000 for UPI based ASBA in initial public offerings.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

## **PART A**

### **Fixed Price Issue**

The Issue is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be Issued to individual applicants other than Retail Individual Applicants and other investors including Corporate Bodies or Institutions, i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange

**Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialised form. The Application Forms which do not have details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchange.**

## **Application Form**

Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries and at the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the website of the BSE Limited ([www.bseindia.com](http://www.bseindia.com)), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Offer only through the ASBA process. RIIs are mandatorily required to use the UPI Mechanism for submitting their Applications to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their Applications directly to SCSBs.

An electronic copy of the Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Issue Opening Date.

RIIs applying using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Application Form and the Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Applicants (including Applicants using UPI Mechanism) must provide bank account details and 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 or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. RIIs using the UPI Mechanism may also apply through the mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the Applications are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Collecting Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIIs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Application Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Applicants must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Application Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Application. For all initial public offerings opening on or after September 1, 2022, as specified in SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges were required to accept the ASBA applications in their electronic Fixed Price platform only with a mandatory confirmation on the application monies blocked. This circular is applicable for all categories of investors, i.e. RII, QIB, NII and other reserved categories and also for all modes through which the applications are processed. Since the Issue is made under Phase III (on a mandatory basis), ASBA Bidders could submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) could submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. UPI Bidders using the UPI Mechanism, could submit their ASBA Forms with the Syndicate, Sub Syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIIs not using the UPI Mechanism could submit their ASBA Forms with SCSBs, Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs.



Investors were required to ensure that their PAN is linked with Aadhaar and were in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021. Pursuant to the press release dated March 28, 2023, the last date for linking PAN and Aadhaar has been extended to June 30, 2023.

The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Colour*
Resident Indians/ eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

*\*Excluding Electronic Application Form*

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non- SCSB Bank.

For RIIs using UPI Mechanism, the Stock Exchange shall share the Application details (including UPI ID) with Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIIs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every application entered in the Stock Exchange applying platform, and the liability to compensate RIIs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Bankers to the Offer) 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 the Offer. The LM shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular No. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular Nos. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Bank will undertake a reconciliation of Application responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Application requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and Issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with Issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Bank hosted a web portal for intermediaries (closed user group) from the date of Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks / unblocks, performance of apps

and UPI handles, down-time / network latency (if any) across intermediaries and any such processes having an impact / bearing on the Issue Bidding process.

Applicants shall only use the specified Application Form for making an Application in terms of the Prospectus.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account 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 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 (2) to (5) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the 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 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 application form, respective Intermediary shall capture and upload the relevant details in the electronic application system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

**For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:**

After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. 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 resubmission 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 application details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Draft Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorising blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

#### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. [www.bseindia.com](http://www.bseindia.com).

#### **Who can apply?**

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for issue on a regular basis before the closure of the Issue.

On the Issue Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchanges and as disclosed in the Prospectus.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

In addition to the category of Applicants as set forth under “*General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- a) Indian national’s resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) 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 and sub-accounts of FPIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FPIs registered with SEBI, which are foreign corporate or foreign individuals only under the non-institutional applicant ‘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 Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds with minimum corpus of Rs. 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) Insurance funds set up and managed by army, navy or air force of the Union of India;
- s) Multilateral and bilateral development financial institution;
- t) Eligible QFIs;
- u) Insurance funds set up and managed by army, navy or air force of the Union of India;
- v) Insurance funds set up and managed by the Department of Posts, India;
- w) 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 Application Form, the OCB shall be eligible to be considered for share allocation.**

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

## **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the 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). For applications where the proportionate allotment works out to less than [●] Equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●] Equity shares; and
  - b) 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.
3. 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 nearest multiple of [●] Equity shares subject to a minimum allotment of [●] Equity shares.
4. If the Shares allotted 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. 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 offer specified under the Capital Structure mentioned in this Draft Prospectus.

5. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a) As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - b) The balance net offer of shares to the public shall be made available for allotment to
    - i. Individual applicants other than retails individual investors and
    - ii. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
    - iii. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.
6. Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 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 Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **PARTICIPATION BY ASSOCIATES/AFFILIATES OF LEAD MANAGER, PROMOTERS, PROMOTER GROUP AND PERSONS RELATED TO PROMOTER/PROMOTER GROUP**

The Lead Manager or Underwriter or Market Maker shall not be entitled to subscribe to this Offer in any manner except towards fulfilling their obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. The Promoters, Promoter Group, Lead Manager and any persons related to the Lead Manager (except Mutual Funds sponsored by entities related to the Lead Manager) cannot apply in the Offer.

Neither (i) the Lead Manager or any associates of the Lead Manager, except Mutual Funds sponsored by entities which are associates of the Lead Manager or insurance companies promoted by entities which are associate of Lead Manager or AIFs sponsored by the entities which are associate of the Lead Manager or FPIs (other than individuals, corporate bodies and family offices), sponsored by the entities which are associates of the Lead Managernor; (ii) any "person related to the Promoters and members of the Promoters Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters and members of the Promoters Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters and members of the Promoters Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

## **APPLICATION BY MUTUAL FUNDS**

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company in consultation with Lead Manager, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid-up share capital carrying voting rights.

## **APPLICATION BY HUFs**

Applications by HUFs Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with Applications from individuals.

## **APPLICATION BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Application Form from the Designated Intermediaries. Only Applications accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Applicant applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs using the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Applicant applying on a non-repatriation basis by using Resident Forms should authorize their SCSB or should confirm/accept the UPI Mandate Request (in case of RIIs applying using the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full application amount, at the time of the submission of the Application Form. However, NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank where their account is UPI linked prior to submitting their application.

Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-residents (blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents. (White in colour).

Participation by Eligible NRIs in the Offer shall be subject to the FEMA Non-Debt Instruments Rules. Only Applications accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.



In accordance with the FEMA Non-Debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **APPLICATION BY FPIs**

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-offer Equity Share capital. Further, in terms of the FEMA Non-Debt Instruments Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Additionally, the aggregate foreign portfolio investment up to 49% of the paid-up capital on a fully diluted basis or the sectoral / statutory cap, whichever is lower, does not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India will be subject to conditions of Government approval and compliance with sectoral conditions as laid down in these regulations.

In case of Application made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Application Form, failing which our Company reserves the right to reject any Application without assigning any reason.

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for offer procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore

derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, inter alia, the following conditions:

- a) each offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and
- b) Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

The FPIs who wish to participate in the Offer is advised to use the Application Form for non-residents.

Further, Applications received from FPIs bearing the same PAN will be treated as multiple Applications and are liable to be rejected, except for Applications from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "MIM Structure") provided such Applications have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Application received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Applications, FPIs making multiple Applications using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Application Forms that the relevant FPIs making multiple Applications utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Applications will be rejected.

#### **APPLICATION BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS (VCF) AND FOREIGN VENTURE CAPITAL INVESTORS (FVCI)**

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

The holding by any individual VCF or FVCI registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation 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.

All FPIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

**Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

**There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing which, the Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the Lead Manager reserves the right to reject any Application without assigning any reason thereof.

The exposure norms for insurers prescribed in Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDAI Investment Regulations") are set forth below:

- a) Equity shares of a company: the lower of 10%\* of the investee company's outstanding equity shares (face value) or 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or a reinsurer;
- b) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or a reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) The industry sector in which the investee company operates: not more than 15% of the respective fund of a life insurer or a reinsurer or health insurer or general insurance or 15% of the investment assets, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under points (i), (ii) or (iii) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars Issued by the IRDA from time to time including the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 ("IRDA Investment Regulations").

#### **APPLICATION BY PROVIDENT FUNDS / PENSION FUNDS**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs 25 Crores, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company in consultation with the LM reserves the right to reject any application, without assigning any reason thereof.

#### **APPLICATIONS BY BANKING COMPANIES**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended ("Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks 'interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a non-financial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid-up share capital and reserves.

#### **APPLICATION BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by systemically important non-banking financial companies registered with RBI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

#### **APPLICATIONS BY SCSBS**

SCSBs participating in the Offer is required to comply with the terms of the SEBI circulars nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013 respectively. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

**The information set out above is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that any single application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as specified in the Draft Prospectus and Prospectus.**

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of Applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment

Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million (subject to applicable laws), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged along with the Application Form. Failing this, our Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. Our Company in consultation with the LM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

**The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus or Prospectus. Applicants are advised to make their independent investigations and ensure any single Application from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Prospectus or Prospectus.**

#### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) APPLICANTS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

**Method and Process of Applications**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

<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 application form, respective Designated Intermediary <b>shall</b> capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.

7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When an Applicant revises his or her Application (in case of revision in the Price), he /she shall surrender the earlier Acknowledgement Slip and may request for a revised TRS from the relevant Designated Intermediary as proof of his or her having revised the previous Application.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **TERMS OF PAYMENT**

The entire Issue Price of Rs. [●] 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 Applicants. 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 applicants 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 Applicants.

#### **PAYMENT MECHANISM**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the 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 Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until 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 Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer 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 offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

#### **ELECTRONIC REGISTRATION OF APPLICATIONS**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - i. the applications accepted by them,
  - ii. the applications uploaded by them
  - iii. the applications accepted but not uploaded by them or
  - iv. with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the 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 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 offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their



authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.

6. With respect to applications by Applicants, 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 Application Forms to Designated Branches of the SCSBs for blocking of funds:

Sr. 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 Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:

- ✦ Name of the Applicant; ▪ IPO Name;
- ✦ Application Form Number;
- ✦ Investor Category;
- ✦ PAN (of First Applicant, if more than one Applicant);
- ✦ DP ID of the demat account of the Applicant;
- ✦ Client Identification Number of the demat account of the Applicant;
- ✦ 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 an Applicant through the Electronic Mode, the Applicant shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA 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 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 Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft 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 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 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 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 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.

#### **SIGNING OF UNDERWRITING AGREEMENT AND FILING OF DRAFT PROSPECTUS WITH ROC**

- a) Our company has entered into an Underwriting Agreement dated [●].
- b) A copy of Prospectus will be filled with the ROC in terms of Section 26 of Companies Act, 2013.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper (Marathi being the local language where registered office is situated), each with wide circulation. In the pre-Issue advertisement, we shall state the Issue Opening Date and the Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **ISSUANCE OF ALLOTMENT ADVICE**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or Registrar to the Offer shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
- 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. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.
- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 2 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants 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 transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

#### **General Instructions**

##### **Do's:**

- Check if you are eligible to apply as per the terms of this Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Read all the instructions carefully and complete the applicable Application Form;
- ensure that you have mentioned the correct ASBA Account number (for all Applicants other than UPI Applicants application using the UPI Mechanism) in the Application Form and such ASBA Account belongs to you and no one else. UPI Applicants using the UPI Mechanism must mention their correct UPI ID and shall use only his / her own bank account which is linked to such UPI ID;

- UPI Applicants Application using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
- UPI Applicants application using the UPI Mechanism shall make Applications only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
- ensure that the details about the PAN, DP ID, Client ID and Bank Account Number (UPI ID, as applicable) are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- ensure that you have funds equal to the application amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries. Ensure that you use only your own bank account linked UPI ID (only for Retail Individual Applicants/UPI Applicant using the UPI Mechanism) to make an application in the Offer. Retail Individual Applicants/UPI Applicant using the UPI Mechanism shall ensure that the bank with which they have their bank account where the funds equivalent to the application amount are available for blocking, is UPI 2.0 certified by NPCI;
- if the first applicant is not the bank account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form (for all Applicants other than Retail Individual Applicants/UPI Applicant, applying using the UPI Mechanism);
- all Applicants should submit their Applications through the ASBA process only;
- ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
- retail Individual Applicants and UPI Applicant submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Application is listed on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in);
- ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Applications, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
- ensure that you request for and receive a stamped acknowledgement of your application;
- retail Applicants using the UPI mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;

- instruct your respective banks to release the funds blocked in accordance with the ASBA process;
- submit revised Applications to the same Designated Intermediary, through whom the original Application was placed and obtain a revised acknowledgment;
- except for Applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining / specifying their PAN for transacting in the securities market including without limitation, multilateral/ bilateral institutions, and (iii) Applications by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- ensure that the Demographic Details are updated, true and correct in all respects;
- ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- ensure that the correct investor category and the investor status is indicated in the Application Form;
- ensure that in case of Applications under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- ensure that Applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- ensure that you use only your own bank account linked UPI ID (only for Retail Individual Applicants/UPI Applicant using the UPI Mechanism) to make an application in the Issue;
- Applicants should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Applications are liable to be rejected. Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
- Applicants, other than Retail Individual Applicants using the UPI Mechanism, shall ensure that they have funds equal to the application amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
- ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN 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 and PAN available in the Depository database;
- in case of ASBA Applicants (other than Retail Individual Investors/UPI Applicant using UPI Mechanism), ensure that while making application through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the

Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);

- once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors/UPI Applicant would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
- ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the application amount mentioned in the Application Form at the time of submission of the Application;
- retail Individual Investors/UPI Applicant who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors/UPI Applicant should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised application amount in the Retail Individual Investors ASBA Account/ UPI Applicant ASBA Account;
- retail Individual Applicants/UPI Applicant applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
- retail Individual Applicants using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised application amount and subsequent debit of funds in case of Allotment in a timely manner;
- ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- retail Individual Applicants/ UPI Applicant shall 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 Offer Closing Date;
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with; and
- UPI Applicants using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. UPI Applicants shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular No. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;

- Do not pay the Application Price in cash, cheque or demand drafts, by money order or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
- Do not send Application Forms by post, instead submit the same to the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;
- do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
- do not submit more than one Application Forms per ASBA Account;
- do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Prospectus;
- Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- if you are a Retail Individual Applicant and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
- if you are a Retail Individual Applicant/ UPI Applicant and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
- Do not submit applications on plain paper or incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
- do not submit an application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
- do not apply if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
- do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the application amount) at any stage, if you are a QIB or a Non-Institutional Applicant. Retail Individual Applicants can revise their applications during the Issue Period and withdraw their Applicants on or before the Issue Closing Date;
- do not apply for shares more than specified by respective Stock Exchanges for each category;
- do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Applicants or UPI Applicant using the UPI mechanism;
- do not submit incorrect UPI ID details, if you are a Retail Applicants or UPI Applicant applying through UPI Mechanism;

- if you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your application after 3.00 p.m. on the Issue Closing Date; and
- do not apply if you are an OCB.

**The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

For helpline details of the LM pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see "**General Information**" on page 65.

## **GROUNDS FOR TECHNICAL REJECTIONS**

In addition to the grounds for rejection of Application on technical grounds as provided in the "General Information Document for Investing in Public Issues" Applicants are requested to note that Applications may be rejected on the following additional technical grounds.

1. Applications submitted without instruction to the SCSBs to block the entire application amount;
2. Applications submitted by Applicants which do not contain details of the application amount and the bank account details / UPI ID in the Application Form;
3. In case of partnership firms, Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
4. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents have not been submitted along with the Application Form;
5. Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
6. Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
7. DP ID and Client ID not mentioned in the Application Form;
8. ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form;
9. Applications for lower number of Equity Shares than the minimum specified for that category of investors;
10. The amounts mentioned in the Application Form does not tally with the amount payable for the value of the Equity Shares Applied for;
11. Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
12. Applications submitted on a plain paper;
13. Applications submitted by Retail Individual Applicants/UPI Applicant using the UPI Mechanism through an SCSB and/or using a Mobile App or UPI handle, not listed on the website of SEBI at [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40);
14. Applications submitted by Retail Individual Applicants/UPI Applicant using third party bank accounts or using a third party linked bank account UPI ID;
15. Applications by HUFs not mentioned correctly as given in the sub-section "Who can Apply?";
16. Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
17. Application submitted without the signature of the First Applicant or sole Applicants;



18. Applications by person for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
19. GIR number furnished instead of PAN;
20. Application by Retail Individual Applicants with application amount for a value of more than ₹200,000;
21. Applications by person who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
22. Applications by Applicants accompanied by cheques or demand drafts;
23. Applications accompanied by stock invest, money order, postal order or cash;
24. Application by OCB.

For further details of grounds for technical rejections of Application Form and details of instruction in relation to the Application Form, please refer to the General Information Document and UPI Circulars.

### **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA 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 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 websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE 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 Application forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **APPLICANT'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 application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository

Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used

for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **SUBMISSION OF APPLICATION FORM**

All 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 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 Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of 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 BSE SME where the Equity Shares are proposed to be listed are taken within 3 (three) 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 3 (three) 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.

## **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

## **INVESTOR GRIEVANCE**

In case of any Pre-Issue or Post-Issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, please refer to the chapter titled "**General Information**" on page 65.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Offer Closing Date, the Applicant shall be compensated in accordance with law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with SEBI circular no.

SEBI/HO/CFD/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. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

## **IMPERSONATION**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

"Any person who—

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than 6 months extending up to 10 years and fine of an amount not less

than the amount involved in the fraud, extending up to 3 times such amount (provided that where the fraud involves public interest, such term shall not be less than 3 years.) Further, where the fraud involves an amount less than ₹ 1 million or 1% 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 5 years or with fine which may extend to ₹ 5 million or with both.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.

#### **NOMINATION FACILITY TO APPLICANTS**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification issued by Central Board of Direct Taxes (CBDT) on February 13, 2020, and press release dated June 25, 2021.

#### **UNDERTAKINGS BY OUR COMPANY**

Our Company undertake as follows:

- 1) our Company shall ensure compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;
- 2) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Applicant at the rate prescribed under applicable law for the delayed period;
- 3) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 4) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 3 (three) Working days of Issue Closing Date or such other time as may be prescribed.
- 5) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- 6) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 7) the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 8) if Allotment is not made within Three working days from the Issue Closing Date or such other prescribed timelines under applicable laws, the entire subscription amount received will be

refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;

- 9) That our Promoter's contribution in full has already been brought in;
- 10) That no further issue of Equity Shares shall be made until the Equity Shares offered through the Draft Prospectus/Prospectus are listed or until the Application monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc and
- 11) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the ROC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;
- 12) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 13) That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 14) Adequate arrangements shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 15) that if our Company do not proceed with the Issue after the Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges shall be informed promptly;
- 16) that if our Company, in consultation with the LM, withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Issue document with Stock Exchange/SEBI, in the event our Company or subsequently decide to proceed with the Issue;
- 17) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- 18) That neither our promoter nor the directors of the Company are willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

## **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

#### **DEPOSITORY ARRANGEMENTS**

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Issue:

- a) Tripartite Agreement dated October 28, 2024 between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated May 22, 2020 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE0D8001018.

## 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. The FDI Policy will be valid until the DPIIT issues an updated circular. The FDI Policy provides that the companies engaged in sectors/activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with applicable laws / regulations. For details, see "*Key Regulations and Policies*" on page **Error! Bookmark not defined.**

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 Offer. 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 Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**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 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 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.**



**SECTION XI: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

**THE COMPANIES ACT, 2013  
(Incorporated under the Companies Act, 2013)**

**Table – A**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM OF ASSOCIATION  
OF  
SHINING TOOLS LIMITED**

The Registered Office of the Company will be situated in the State of Maharashtra-Gujarat

SHINING TOOLS LIMITED THE COMPANIES ACT, 1956 [COMPANY LIMITED BY SHARES] ARTICLES OF ASSOCIATION		
<b>I.</b>		TABLE 'A' EXCLUDED
	1.	Table "A" not to apply (a) The regulations contained in the Table marked "A" in Schedule I of the Companies Act, 1956 (hereinafter called the Act or the said 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.  Company to be governed by these Articles  (b) The regulations for the management of the Company and for the observance of the members thereto and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed or permitted by Section 31 of the Act, be such as are contained in these Articles.
<b>II.</b>		INTERPRETATION

	<p>2. Headings authoritative The headings used in these Articles shall not affect the construction hereof:</p> <p>Interpretation Clause In the interpretation of these Articles, the following expressions shall have the following meanings, unless repugnant to the subject or context:</p> <p>“The Company” or “This Company” “The Company” or “This Company” means “SHINING TOOLS LIMITED”.</p> <p>“Chairman” “The Chairman” means the Chairman of the Board of Directors for the time being of the Company.</p> <p>“Charge” “Charge” includes a mortgage.</p> <p>“Secretary in Whole-time Practice” “Secretary in Whole-time Practice” means a Secretary who shall be deemed to be in practice within the meaning of sub-section (2) of Section 2 of the Company Secretaries Act, 1980 and who is not in full time employment.</p> <p>“The Act” “The Act” or “The said Act” means the Companies Act, 1956 (Act 1 of 1956) and subsequent amendments thereto or any statutory modifications or re-enactments thereof for the time being in force.</p> <p>“Alter and Alteration” “Alter” and “Alteration” shall include the making of additions and omissions.</p> <p>“Annual General Meeting” “Annual General Meeting” means a general meeting of the members held in accordance with the provisions of Section 166 of the Act and any adjourned holding thereof.</p> <p>“Articles” “Articles” means the Articles of Association of the Company as originally framed or as altered from time to time.</p> <p>“Auditors” “Auditors” means and includes those persons appointed as such for the time being of the Company.</p> <p>“Beneficial Owner” “Beneficial Owner” means a persons as defined by section 2(1) (a) of Depository Act, 1996.</p> <p>“Board” or “Board of Directors” “Board” or “Board of Directors” means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles, or the Directors of the Company collectively.</p> <p>“Body Corporate” or Corporation” “Body Corporate” or “Corporation” includes a Company incorporated outside India but does not include :  <ul style="list-style-type: none"> <li>i. a corporation sole;</li> <li>ii. a co-operative society registered under any law relating to co-operative societies; and</li> <li>iii. any other body corporate (not being a Company as defined in the Act) which the Central Government may, by notification in the Official Gazette, specify in this behalf.</li> </ul> </p>
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	<p>“Bye-Laws”  “Bye-Laws” means “Bye-Laws” as defined under Section 26 of Depository Act, 1996.</p> <p>“Capital”  “Capital” means the share capital for the time being raised or authorised to be raised, for the purposes of the Company.</p> <p>“Company”  “Company” shall include a Company as defined in Section 3 of the Act.</p> <p>“Depository Act, 1996”  “Depository Act, 1996” means Depository Act, 1996 and include any statutory modification or reenactment thereof the time being in force.</p> <p>“Debenture”  “Debenture” includes debenture-stock, bonds and other securities of the Company, whether constituting a charge on the assets of the Company or not.</p> <p>“Depository”  “Depository” means and include a company as defined under section 2(1) (e) of the Depositories Act.</p> <p>“Directors”  “Directors” means the Directors for the time being of the Company or, as the case may be, the Directors assembled at a meeting of the Board or acting by circular resolution under these Articles.</p> <p>“Dividend”  “Dividend” includes bonus unless otherwise stated.</p> <p>“Document”  “Document” includes summons notice, requisition, order, legal process and registers, whether issued, sent or kept in pursuance of this or any other Act or otherwise.</p> <p>“Extraordinary General Meeting”  “Extraordinary General Meeting” means general meeting of the members other than Annual General Meeting duly called and constituted and any adjourned holding thereof.</p> <p>“Gender”  Words imparting the masculine gender also include, where the context requires or admits, the feminine gender.</p> <p>“Managing Director”  “Managing Director” means a Director who by virtue of an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management.</p> <p>“Meeting” or “General Meeting”  “Meeting” means and includes a meeting of the members whether annual or extraordinary general meeting duly called and convened as per these Articles of Association and in accordance with these provisions of the Companies Act, 1956.</p> <p>“Member”  “Member” means the duly registered holder from time to time of the Shares of the Company and includes the subscribers to the Memorandum of the Company.</p> <p>“Memorandum”  “Memorandum” means the Memorandum of Association of the Company as originally</p>
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	<p>framed or as altered from time to time.</p> <p>“Month” “Month” means a calendar month.</p> <p>“Office” “Office” means the Registered Office for the time being of the Company.</p> <p>“Ordinary Resolution” A Resolution shall be an ordinary resolution when at a general meeting of which the notice required under the Act has been duly given, the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the resolution (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by members so entitled and voting.</p> <p>“Paid up” “Paid up Capital” or “Capital paid up” includes Capital credited as paid up.</p> <p>“Participant” “Participant” means a individual/institutions as defines Under Section 2(1) (g) of the Depository Act, 1996.</p> <p>“Persons” “Persons” include firms and corporations as well as individuals.</p> <p>“Plural Number” Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.</p> <p>“Proxy” “Proxy” includes attorney duly constituted under the Power of Attorney.</p> <p>“Public Holiday” “Public Holiday” means a Public Holiday within the meeting of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.</p> <p>“Register of Members” “Register of Members” means the Register of Members to be kept pursuant to the Act.</p> <p>“Registrar” “Registrar” means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situate.</p> <p>“Regulations” “Regulations” means a made by SEBI.</p> <p>“Seal” “Seal” means the Common Seal of the Company for the time being.</p> <p>“SEBI” “SEBI” means Securities and Exchange Board of India.</p> <p>“Secretary” “Secretary” means any individual possessing the prescribed qualifications appointed to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties.</p> <p>“Section” “Section” or “Sections” means a Section of the Act for the time being in force.</p>
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	<p>“Security”  “Security” means such security as may be specified by SEBI from time to time.</p> <p>“Share”  “Share” means share in the Share Capital of the Company, and includes stock except where a distinction between stock and share is expressed or implied.</p> <p>“Special Resolution”  A. Resolution shall be a Special Resolution when  the intention to propose the resolution as a special resolution has been duly specified in the notice calling the general meeting or other intimation given to the members of the resolution;  the notice required under the Act has been duly given of the general meeting; and  the votes cast in favour of the resolution (whether on a show of hands, or on a poll as the case may be) by members who, being entitled so to do vote in person, or where proxies are allowed, by proxy, are not less than three times the number of the votes, if any, cast against the resolution by members so entitled and voting.</p> <p>“These Presents”  “These Presents” means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time by Special Resolution.</p> <p>“Variation” and “Vary”  “Variation” shall include abrogation and “Vary” shall include abrogate.</p> <p>“Written” and “In writing”  “Written” and “In writing” include printing, lithography and any other mode or modes or reproducing or reproducing words in a visible form or partly one and partly the other.</p> <p>“Year” and “Financial Year”  “Year” means a calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(17) of the Act.</p> <p>Expression in the Act to bear the same meaning in Articles  (A) Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.</p> <p>Copies of Memorandum and Articles to be furnished by the Company  Pursuant to Section 39 of the Act, the Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a prescribed fee, a copy of each of the following documents, as in force for the time being.</p> <ul style="list-style-type: none"> <li>(i) the Memorandum;</li> <li>(ii) the Articles, if any;</li> <li>(iii) every other agreement and every resolution referred to in Section 192, of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.</li> </ul> <p>Company’s funds may not be applied in purchase of or lent for shares of the Company</p> <ul style="list-style-type: none"> <li>(i) The Company shall not have power to buy its own shares, unless the consequent reduction of capital is effected and sanctioned in pursuance of Sections 100 to 104 or Section 402 of the Act.</li> <li>(ii) The Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in its holding Company.</li> </ul>
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		<p>Provided that nothing in this clause shall be taken to prohibit:</p> <p>(a) the provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or</p> <p>(b) the making by the Company of loans, within the limit laid down in sub-section (3) of Section 77 of the Act, to persons (other than Directors or Managers) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership.</p> <p>(c) No loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed in amount, his salary or wages at that time for a period of six months.</p> <p>(d) Nothing in this Article shall affect the right of the Company to redeem any shares issued under Section 80 of the Act.</p>
III.		SHARE CAPITAL AND VARIATION OF RIGHTS
	3.	<p>(a) The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorised Capital which may consist of Equity and/ or Preference Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.</p> <p>(b) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid up in such equity shares respectively at the commencement of the winding up.</p>
IV.		INCREASE REDUCTION AND ALTERATION OF CAPITAL

	<p>4. The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient. On what conditions the new shares may be issued</p> <p>(a) Subject to the provisions of Sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said sections with special or without any right of voting and subject to the provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.</p> <p>Further issue of Shares</p> <p>(b) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of un-issued share capital or out of the increased share capital.</p> <p>(i) such further shares shall be offered to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.</p> <p>(ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than one month from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.</p> <p>(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 shall contain a statement of this right.</p> <p>PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.</p> <p>(iv) after the expiry of the specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.</p> <p>(c) Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof in any manner whatsoever.</p> <p>(i) If a special resolution to that effect is passed by the Company in General Meeting, or</p> <p>(ii) Where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p>
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		<p>(d) Nothing in sub-clause (c) of (1) hereof shall be deemed:</p> <p>(i) To extend the time within which the offer should be accepted; or</p> <p>(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 comprised in the renunciation.</p> <p>(e) Nothing in this Article shall apply to the increase of the subscribed capital of, the company caused by the exercise of an option attached to the debenture issued or loans raised by the Company :</p> <p>(i) To convert such debentures or loans into shares in the Company; or</p> <p>(ii) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).</p> <p>PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;</p> <p>(i) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and</p> <p>(ii) in the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.</p> <p>Directors may allot shares as fully paid up</p> <p>(f) Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partially paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.</p> <p>Same as original capital</p> <p>(g) Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.</p> <p>Power to issue Redeemable Preference Shares</p> <p>(a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares, which are or at the option of the Company are liable to be redeemed; Provided that :</p>
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		<p>(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;</p> <p>(ii) no such shares shall be redeemed unless they are fully paid;</p> <p>(iii) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed.</p> <p>(iv) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the capital redemption reserve account", a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the capital redemption reserve account were paid up share capital of the Company.</p> <p>(b) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.</p> <p>(c) The redemption of preference shares under these provisions by the company shall not be taken as reducing the amount of its Authorised Share Capital.</p> <p>(d) Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause. Provided that where new shares are issued before redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.</p> <p>(e) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares.</p> <p>Provision is case of Redemption of Preference Shares  The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months' previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect:</p> <p>(a) The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its registered office in the presence of one Director at least; and</p> <p>(b) Forthwith after every such drawing, the Company shall notify the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at</p>
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the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.

Power to Issue Sweat Equity Shares

- (c) The Board shall have a power to issue sweat equity shares in manner and subject to conditions contained in section 79 (A) of the Act.

Reduction of capital

The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its share capital and any Capital Redemption Reserve Account or premium account in any manner for the time being authorized by law and in particular without prejudice to the generality of the foregoing power may be:

- (a) extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;
- (b) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or
- (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, after its Memorandum by reducing the amount of its share capital and of its shares accordingly.

Division, Sub-Division, Consolidation, Conversion and Cancellation of shares

Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;
- (b) sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares.
- (c) convert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination.
- (d) 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.

		<p>Notice to Registrar of Consolidation of Share Capital, Conversion of shares into stocks etc.</p> <p>(a) If the Company has :</p> <p>(i) consolidated and divided its Share Capital into shares of larger amount than its existing shares;</p> <p>(ii) converted any shares into stock;</p> <p>(iii) reconverted any stock into shares;</p> <p>(iv) sub-divided its share or any of them;</p> <p>(v) redeemed any redeemable preference shares; or</p> <p>(vi) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act. the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.</p> <p>(b) the Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.</p> <p>Modifications of rights  If at any time the share capital by reason of the issue of Preference Share or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article is omitted. The provisions of these Articles relating to general meetings shall mutais mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Articles 102 is not present, those persons who are present shall be quorum.</p>
V.		SHARE CAPITAL AND VARIATION OF RIGHTS
	5.	<p>(a) The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company. The Company may increase the Authorised Capital which may consist of Equity and/ or Preference Shares as the Company in General Meeting may determine in accordance with the law for the time being in force relating to Companies with power to increase or reduce such capital from time to time in accordance with the Regulations of the Company and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into Equity Share Capital or Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents.</p> <p>(b) Subject to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the equity shares in the event of winding up of the Company, the holders of the equity shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such equity shares and all surplus assets thereafter shall belong to the holders of the equity shares in proportion to the amount paid up or credited as paid up in such equity shares respectively at the commencement of the winding up.</p>
VI.		INCREASE REDUCTION AND ALTERATION OF CAPITAL

	<p>6. The Company may from time to time in general meeting increase its share capital by the issue of new shares of such amounts as it thinks expedient.</p> <p>On what conditions the new shares may be issued</p> <p>Subject to the provisions of Sections 80, 81 and 85 to 90 of the Act, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto by the general meeting creating the same as shall be directed and if no direction be given as the Directors shall determine and in particular such shares may be issued subject to the provisions of the said sections with a preferential or qualified right to dividends and in distribution of assets of the Company and subject to the provisions of the said sections with special or without any right of voting and subject to the provisions of Section 80 of the Act any preference shares may be issued on the terms that they are or at the option of the Company are liable to be redeemed.</p> <p>Further issue of Shares</p> <p>Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, whether out of un-issued share capital or out of the increased share capital.</p> <p>(i) such further shares shall be offered to the persons who at the date of offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.</p> <p>(ii) the offer aforesaid shall be made by a notice specifying the number of shares offered and limiting a time not being less than one month from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.</p> <p>(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 shall contain a statement of this right.</p> <p>PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.</p> <p>(iv) after the expiry of the specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they think most beneficial to the Company.</p> <p>Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof in any manner whatsoever.</p> <p>(v) If a special resolution to that effect is passed by the Company in General Meeting, or</p> <p>(vi) Where no such special resolution is passed if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p> <p>Nothing in sub-clause (c) of (1) hereof shall be deemed:</p>
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		<p>(vii) To extend the time within which the offer should be accepted; or</p> <p>(viii) 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 comprised in the renunciation.</p> <p>Nothing in this Article shall apply to the increase of the subscribed capital of, the company caused by the exercise of an option attached to the debenture issued or loans raised by the Company :</p> <p>(ix) To convert such debentures or loans into shares in the Company; or</p> <p>(x) To subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).</p> <p>PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;</p> <p>(iii) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that Government in this behalf; and</p> <p>(iv) in the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.</p> <p>Directors may allot shares as fully paid up</p> <p>Subject to the provisions of the Act and these Articles, the Directors may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up or partially paid up otherwise than in cash, and if so issued, shall be deemed to be fully paid up or partly paid up shares as the case may be.</p> <p>Same as original capital</p> <p>Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls, installments, transfers, transmission, forfeiture, lien, surrender, voting and otherwise.</p> <p>Power to issue Redeemable Preference Shares</p> <p>(a) Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the Company may issue preference shares, which are or at the option of the Company are liable to be redeemed; Provided that :</p> <p>(v) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of Shares made for the purpose of redemption;</p> <p>(vi) no such shares shall be redeemed unless they are fully paid;</p> <p>(vii) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's share premium account before the shares are redeemed.</p> <p>(viii) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for</p>
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	<p>dividend, be transferred to a reserve fund, to be called “the capital redemption reserve account”, a sum equal to the nominal amount of the shares redeemed; and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the capital redemption reserve account were paid up share capital of the Company.</p> <p>Subject to the provisions of Section 80 of the Act and subject to the provisions on which any shares may have been issued, the redemption of preference shares may be effected on such terms and in such manner as may be provided in these Articles or by the terms and conditions of their issue and subject thereto in such manner as the Directors may think fit.</p> <p>The redemption of preference shares under these provisions by the company shall not be taken as reducing the amount of its Authorised Share Capital.</p> <p>Where in pursuance of this Article, the Company has redeemed or is about to redeem any preference shares, it shall have power to issue shares upto the nominal amount of the shares redeemed or to be redeemed as if those shares had never been issued; and accordingly the Share Capital of the Company shall not, for the purpose of calculating the fees payable under Section 611 of the Act, be deemed to be increased by the issue of shares in pursuance of this clause. Provided that where new shares are issued before redemption of the old shares, the new shares shall not so far as relates to stamp duty be deemed to have been issued in pursuance of this clause unless the old shares are redeemed within one month after the issue of the new shares.</p> <p>The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares.</p> <p>Provision is case of Redemption of Preference Shares</p> <p>The Company shall be at liberty at any time, either at one time or from time to time as the Company shall think fit, by giving not less than six months’ previous notice in writing to the holders of the preference shares to redeem at par the whole or part of the preference shares for the time being outstanding, by payment of the nominal amount thereof with dividend calculated upto the date or dates notified for payment (and for this purpose the dividend shall be deemed to accrue and due from day to day) and in the case of redemption of part of the preference shares the following provisions shall take effect:</p> <p>The shares to be redeemed shall be determined by drawing of lots which the Company shall cause to be made at its registered office in the presence of one Director at least; and</p> <p>Forthwith after every such drawing, the Company shall notify the shareholders whose shares have been drawn for redemption its intention to redeem such shares by payment at the registered office of the Company at the time and on the date to be named against surrender of the Certificates in respect of the shares to be so redeemed and at the time and date so notified each such shareholder shall be bound to surrender to the Company the Share Certificates in respect of the Shares to be redeemed and thereupon the Company shall pay the amount payable to such shareholders in respect of such redemption. The shares to be redeemed shall cease to carry dividend from the date named for payment as aforesaid. Where any such certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh certificate therefore.</p> <p>Power to Issue Sweat Equity Shares The Board shall have a power to issue sweat equity shares in manner and subject to conditions contained in section 79 (A) of the Act.</p> <p>Reduction of capital</p> <p>The Company may from time to time by special resolution, subject to confirmation by the Court and subject to the provisions of Sections 78, 80 and 100 to 104 of the Act, reduce its share capital</p>
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	<p>and any Capital Redemption Reserve Account or premium account in any manner for the time being authorized by law and in particular without prejudice to the generality of the foregoing power may be:</p> <p>extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid up;</p> <p>either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or</p> <p>either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, after its Memorandum by reducing the amount of its share capital and of its shares accordingly.</p> <p>Division, Sub-Division, Consolidation, Conversion and Cancellation of shares</p> <p>Subject to the provisions of Section 94 of the Act, the Company in general meeting may by an ordinary resolution alter the conditions of its Memorandum as follows, that is to say, it may:</p> <p>consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;</p> <p>sub-divide its shares or any of them into shares of smaller amount than originally fixed by the Memorandum subject nevertheless to the provisions of the Act in that behalf and so however that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived and so that as between the holders of the shares resulting from such sub-division one or more of such shares may, subject to the provisions of the Act, be given any preference or advantage over the others or any other such shares.</p> <p>convert, all or any of its fully paid up shares into stock, and re-convert that stock into fully paid up shares of any denomination.</p> <p>(e) 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.</p> <p>Notice to Registrar of Consolidation of Share Capital, Conversion of shares into stocks etc.</p> <p>(a) If the Company has :</p> <p>(vii) consolidated and divided its Share Capital into shares of larger amount than its existing shares;</p> <p>(viii) converted any shares into stock;</p> <p>(ix) reconverted any stock into shares;</p> <p>(x) sub-divided its share or any of them;</p> <p>(xi) redeemed any redeemable preference shares; or</p> <p>(xii) cancelled any shares otherwise than in connection with a reduction of Share Capital under Sections 100 to 104 of the Act. the Company shall within one month after doing so, give notice thereof to the Registrar specifying as the case may be, the shares consolidated, divided, converted, sub-divided, redeemed or cancelled or the stocks reconverted.</p> <p>(b) the Company shall thereupon request the Registrar to record the notice and make any alterations which may be necessary in the Company's Memorandum or Articles or both.</p> <p>Modifications of rights</p> <p>If at any time the share capital by reason of the issue of Preference Share or otherwise, is divided</p>
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		<p>into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up, be varied, modified, commuted, affected or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. This Article shall not derogate from any power which the Company would have if this Article is omitted. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate meeting but so that if at any adjourned meeting of such holders a quorum as defined in Articles 102 is not present, those persons who are present shall be quorum.</p>
VII		SHARES AND CERTIFICATES
	7.	<p>Issue of further shares not to affect right of existing shareholders The rights or privileges conferred upon the holders of the shares of any class issued with preference or other rights, shall not unless otherwise be deemed to be varied or modified or affected by the creation or issue of further shares ranking pari passu therewith.</p> <p>Provisions of Sections 85 to 88 of the Act to apply The provisions of Sections 85 to 88 of the Act in so far as the same may be applicable shall be observed by the Company.</p> <p>Register of Members and Debenture holders</p> <p>(a) The Company shall cause to be kept a Register of Members and an Index of Members in accordance with Sections 150 and 151 of the Act and Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company may also keep a foreign Register of Members and Debenture holders in accordance with Section 157 of the Act.</p> <p>(b) The Company shall also comply with provisions of Sections 159 and 161 of the Act as to filling of Annual Returns.</p> <p>(c) The Company shall duly comply with the provisions of Section 163 of the Act in regard to keeping of the Registers, Indexes, copies of Annual Returns and giving inspection thereof and furnishing copies thereof.</p> <p>Commencement of business The Company shall comply with the provisions of Section 149 of the Act.</p> <p>Restriction on allotment The Board shall observe the restriction as to allotment of shares to the public contained in Sections 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act.</p> <p>Shares to be numbered progressively and no shares to be sub-divided The shares in the Capital shall be numbered progressively according to the several denominations and except in the manner hereinbefore mentioned no share shall be subdivided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.</p> <p>Share at the disposal of the Directors Subject to the provisions of Section 81 of the Act and these Articles the shares in the Capital of the Company for the time being 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 or (subject to compliance with the provisions of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in general meeting to give to any person the option to call for any shares either at par or at a premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment</p>



	<p>in full or part for any property sold and transferred or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.</p> <p>19A. Subject to the Compliance of provisions of section 81(1A) or any other provisions of the Company read with the rules or regulations and guidelines framed there under, if any, the Company have an authority to create, other, issue or allot to or for the benefit of any person(s) or Company(ies) or body(ies) corporate including Promoters or Directors or relatives and friends of Directors or employees of the Company, shares of securities of any kind whether convertible or non-convertible into shares, or warrants giving an option to holder thereof to subscribe to shares or securities of any kind whether convertible or non- convertible into shares, on such terms and conditions including condition as to price as may be determine by the general meeting authorizing issue/offer and allotment of such shares or securities on preferential basis or private placement basis or in any manner and where no such terms and conditions determined by the general meeting, on such terms and conditions including the conditions as to price as may be determined by the Board of Directors.</p> <p>Every share transferable etc</p> <ul style="list-style-type: none"> <li>(i) The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</li> <li>(ii) Each share in the Company shall be distinguished by its appropriate number.</li> <li>(iii) A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie, evidence of the title of the member of such shares.</li> </ul> <p>Application of premium received on issue of shares</p> <ul style="list-style-type: none"> <li>(a) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account to be called “the share premium account” and the provisions of the Act relating to the reduction of the Share Capital of the Company shall except as provided in this Article, apply as if the share premium account were paid up share capital of the Company.</li> <li>(b) The Share premium account may, notwithstanding, anything in clause (a) above, be applied by the Company: <ul style="list-style-type: none"> <li>(i) in paying up un-issued shares of the Company to be issued to members of the company as fully paid bonus shares;</li> <li>(ii) in writing off the preliminary expenses of the Company;</li> <li>(iii) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; or</li> <li>(iv) in providing for the premium payable on the redemption of any redeemable preference shares or of any debenture of the Company.</li> </ul> </li> </ul> <p>Sale of fractional shares</p> <p>If and whenever, as the result of issue of new or further shares or any consolidation or sub-division of shares, any share are held by members in fractions, the Directors shall, subject to the provisions of the Act and the Articles and to the directions of the Company in general meeting, if any, sell those shares, which members hold in fractions, for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion, the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference</p>
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	<p>to the sale.</p> <p>Acceptance of Shares</p> <p>(a) An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purpose of these Articles be a member. The Director shall comply with the provisions of Sections 69, 70, 71, 72 and 73 of the Act in so far as they are applicable.</p> <p>Power of Company to purchase its own Securities</p> <p>(b) Notwithstanding anything contained in the Act, but subject to the provision of Sub-section (2) and Section 77 B of the Act, the Company shall have power to purchase its own shares or other specified securities (Referred to as Buy-Back) from.</p> <p>i Out of free Reserve or,</p> <p>ii Out of Share Premium Account or,</p> <p>iii Out of proceeds of an earlier Issue other than fresh Issue of share made specifically for the purpose of Buy-Back Shares.</p> <p>Deposits and calls etc, to be a debt payable immediately The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, immediately, on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares become a debt, due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.</p> <p>Trusts not recognised Save as herein provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof, and accordingly shall not (except as ordered by a Court of competent jurisdiction or as by law required) be bound to recognise any benami, trust of equity or equitable, contingent, future, or partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof and the provisions of Section 153 of the Act shall apply.</p> <p>Issue of Certificate of Shares to be governed by Section 84 of the Act etc.</p> <p>(a) The issue of certificates of shares or of duplicate or renewal of certificates of Shares shall be governed by the provisions of Section 84 and other provisions of the Act, as may be applicable and by the Rules or notifications or orders, If any, which may be prescribed or made by competent authority under the Act or Rules or any other law. The Directors may also comply with the provisions of such rules or regulations of any stock exchange where the shares of the Company may be listed for the time being.</p> <p>Certificate of Shares</p> <p>(b) The certificate of title to shares shall be issued under the Seal of the Company and shall be signed by such Directors or Officers or other authorised persons as may be prescribed by the Rules made under the Act from time to time and subject thereto shall be signed in such manner and by such persons as the Directors may determine from time to time.</p> <p>(c) The Company shall comply with all rules and regulations and other directions which may be made by any competent authority under Section 84 of the Act.</p>
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		<p>Limitation of time of issue of certificate</p> <p>(a) Every member shall be entitled, without payment, to one Certificate 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 may from time to 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 the time provided by Section 113 of the Act unless the conditions of issue thereof otherwise provide. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of the shares in respect of which it is issued and the amount paid up thereon and shall be in such form as the Director shall prescribe or approve provided that in respect of a 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 of shares to one of several joint holders shall be sufficient delivery to all such holders.</p> <p>(b) The Company shall not entertain any application for split of share/debenture certificate for less than 10 (Ten) Equity shares/10 (Ten) debentures (all relating to the same series) in market lots as the case may be.</p> <p>(c) Notwithstanding anything contained in Clause (a) above the Directors shall, however, comply with such requirements of the Stock Exchange where Shares of the Company may be listed or such requirements of any rules made under the Act or such requirements of the Securities Contracts (Regulation) Act, 1956 as may be applicable.</p> <p>Issue of new certificate in place of one defaced, lost or destroyed  If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof 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 be lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificates under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Re.1/- for each certificate) as the Directors shall prescribe. Out-of-pocket expenses incurred by the Company in investigating the evidence as to the loss or destruction shall be paid to the Company if demanded by the Directors.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulations or requirements of any Stock Exchange or the Rules made under the Act or the Rules made under Securities Contract (Regulation) Act, 1956 or any other Act, or Rules applicable in this behalf.</p>
VII		INTEREST OUT OF CAPITAL
	8.	<p>Interest out of Capital</p> <p>Where any shares are issued for the purposes of raising money to defray the expenses of the construction of any works or building or the provisions of any plant, which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provision of the plant.</p>
IX.		UNDERWRITING COMMISSION AND BROKERAGE

	9.	<p>Power to pay certain commission and prohibition of payment of all other commissions, discounts etc.</p> <p>[A] The Company may pay a commission to any person in consideration of :</p> <ul style="list-style-type: none"> <li>(i) his subscribing or agreeing to subscribe whether absolutely or conditionally, for any shares in or debentures of the Company, subject to the restrictions specified in sub-section (4A) of Section 76 of the Act, or</li> <li>(ii) his procuring or agreeing to procure subscriptions, whether absolute or conditional for any shares in or debentures of the Company, if the following conditions are fulfilled, namely: <ul style="list-style-type: none"> <li>(a) the commission paid or agreed to be paid does not exceed in the case of shares, five percent of the price at which the shares are issued and in the case of debentures, two and half percent of the price at which the debentures are issued;</li> <li>(b) the amount or rate percent of the commission paid or agreed to be paid on shares or debentures offered to the public for subscription, is disclosed in the Prospectus, and in the case of shares or debentures not offered to the public for subscription, is disclosed in the Statement in lieu of Prospectus and filed before the payment of the commission with the Registrar, and where a circular or notice, not being a Prospectus inviting subscription for the shares or debentures is issued is also disclosed in that circular or notice;</li> <li>(c) the number of shares or debentures which such persons have agreed for a commission to subscribe, absolutely or conditionally is disclosed in the manner aforesaid and</li> <li>(d) a copy of the contract for the payment of commission is delivered to the Registrar at the time of delivery of the prospectus or the statement in lieu of prospectus for registration.</li> </ul> </li> </ul> <p>[B] Save as aforesaid and save as provided in Section 75 of the Act, the Company shall not allot any of its shares or debentures or apply any of its moneys, either directly or indirectly, in payment of any commission, discount or allowance, to any person in consideration of :</p> <ul style="list-style-type: none"> <li>(i) his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in, or debentures of the Company or;</li> <li>(ii) his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in, or debentures of the Company whether the shares, debentures or money be so allotted or applied by, being added to the purchase money of any property acquired by the Company or to the contract price of any work to be executed for the Company or the money be paid out of the nominal purchase money or contract price, or otherwise.</li> </ul> <p>[C] Nothing in this Article shall affect the power of the Company to pay such brokerage as it has hereto before been lawful for the Company to pay.</p> <p>[D] A vendor to, promoter of, or other person who receives payment in shares, debentures or money from the Company shall have and shall be deemed always to have had power to apply any part of the shares, debentures or money so received for payment of any commission, the payment of which, if made directly by the Company would have been legal under Section 76 of the Act.</p>
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		[E] The commission may be paid or satisfied (subject to the provisions of the Act and these Articles) in cash, or in shares, debentures or debenture-stocks of the Company.
X.		CALLS
	10.	<p>Director may make calls The Directors may from time to time and subject to Section 91 of the Act and subject to the terms on which any shares/debentures may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as they think fit upon the members/debenture holders in respect of all moneys unpaid on the shares/debentures held by them respectively and such member/debenture holders shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.</p> <p>Calls to date from resolution A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be made payable by members/debenture holders on a subsequent date to be specified by the Directors.</p> <p>Notice of call Thirty days notice in writing shall be given by the Company of every calls made payable otherwise than on allotment specifying the time and place of payment provided that before the time of payment of such call, the Directors may by notice in writing to the members/debenture holders revoke the same.</p> <p>Directors may extend time The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members/debenture holders who from residence at a distance or other cause, the Directors may deem fairly entitled to such extension, but no member/ debenture holder shall be entitled to such extension, save as a matter of grace and favour.</p> <p>Sums deemed to be calls Any sum, which by the terms of issue of share/debenture becomes payable on allotment or at any fixed date whether on account of the nominal value of the share/debenture or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.</p> <p>Installments on shares to be duly paid If by the condition of allotment of any shares the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being and from time to time, shall be the registered holder of the share of his legal representative.</p> <p>Calls on shares of the same class to be made on uniform basis Where any calls for further Share Capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class.</p> <p>Explanation : For the purpose of this provisions, shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.</p> <p>Liability of joint holders of share The joint holders of a share shall be severally as well as jointly liable for the payment of all</p>

	<p>installment and calls due in respect of such shares.</p> <p><b>When interest on call or Installment payable</b>  If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof or any such extension thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due, shall pay interest as shall be fixed by the Board from the day appointed for the payment thereof or any such extension thereof to time of actual payment but the Directors may waive payment of such interest wholly or in part.</p> <p><b>Partial payment not to preclude forfeiture</b>  Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.</p> <p><b>Proof on trial of suits for money due on shares</b>  On the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered appears in the Register of Members as the holder or one of the holders, at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered, and that the resolution making the call is duly recorded in the Minutes Book; and that the notice of such call was duly given to the member or his representatives, sued in pursuance of these presents; and it shall not be necessary to prove</p> <p>the appointment of the Directors who made such calls nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p> <p><b>Payment in anticipation of calls may carry interest</b></p> <p>(a) The Directors may, if they think fit, subject to the provision 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 of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, to the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls not confer a right to participate in profits or dividends. The Directors may at any time repay the amount so advanced.</p> <p>(b) The member shall not however 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.</p> <p>(c) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.</p> <p><b>Term of issue of Debenture</b>  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.</p>
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XI.		LIEN
	11.	<p>Company's lien on Shares/Debentures  The Company shall have first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each member/debenture holder (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 shares/debentures shall be created except upon the footing and condition that Article 25 hereof 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 share/ 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.</p> <p>As to enforcing lien by sale  For the purpose of enforcing such lien, the Board may sell the shares/debentures subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and/or debentures and may authorise one of their member or appoint any officer or agent to execute a transfer thereof on behalf of and in the name of such member/debenture holder. No sale shall be made until such period, as may be stipulated by the Board from time to time, and until notice in writing of the intention to sell shall have been served on such member and/or debenture holder or his legal representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.</p> <p>Application of proceeds of sale  (a) The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and 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 persons entitled to the shares and/or debentures at the date of the sale.</p> <p>Outsiders lien not to affect Company's lien.</p> <p>(b) The Company shall be entitled to treat the registered holder of any share or debenture as the absolute owner thereof and accordingly shall not (except as ordered by a Court of competent jurisdiction or by statute required) be bound to recognise equitable or other claim to, or interest in, such shares or debentures on the part of any other person. The Company's lien shall prevail notwithstanding that it has received notice of any such claims.</p>
XII		FORFEITURE
	12.	<p>If call or installment not paid notice must be given  (a) If any member or debenture holder fails to pay the whole or any part of any call or installment or any money due in respect of any share or debentures either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Directors may at any time thereafter, during such time as the call or any installment or any part thereof or other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such member or debenture holder or on the person (if any) entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.</p> <p>Form of Notice</p>

	<p>(b) The notice shall name a day not being less than one month from the date of the notice and a place or places, on and at which such call, or installment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment of call amount with interest at or before the time and at the place appointed, the shares or debentures in respect of which the call was made or installment or such part or other moneys is or are payable will be liable to be forfeited.</p> <p>In default of payment shares or debentures to be forfeited  If the requirements of any such notice as aforesaid are not complied with any share/debenture in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses or other moneys due in respect thereof, be forfeited by a resolution of the Directors to that effect. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the company, in respect of the payment of any such money, shall preclude the company from thereafter proceeding to enforce a forfeiture of such shares as herein provided. Such forfeiture shall include all dividends declared or interest paid or any other moneys payable in respect of the forfeited shares or debentures and not actually paid before the forfeiture.</p> <p>Entry of forfeiture in Register of member/debenture holders  When any shares/debenture shall have been so forfeited, notice of the forfeiture shall be given to the member or debenture holder in whose name in stood, immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of members or debenture holders but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid.</p> <p>Forfeited share/debenture to be property of Company and may be sold  Any share or debenture so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted or otherwise disposed of either to the original holder or to any other person upon such terms and in such manner as the Directors shall think fit.</p> <p>Power to annul forfeiture  The Directors may, at any time, before any share or debenture so forfeited shall have been sold, reallocated or otherwise disposed of, annul forfeiture thereof upon such conditions as they think fit.</p> <p>Shareholders or Debenture holders still liable to pay money owing at time of forfeiture and interest  Any member or debenture holder whose shares or debentures have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, all calls, installments, interest expenses and other money owing upon or in respect of such shares or debentures at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Directors may determine, and the Directors may enforce the payment of the whole or a portion thereof, if they think fit, but shall not be under any obligation to do so.</p> <p>Effect of forfeiture  The forfeiture of a share or debenture shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share or debenture and all other rights incidental to the share or debenture, except only such of those rights as by these Articles are expressly saved.</p> <p>Certificate of forfeiture  A Certificate in writing under the hand of one Director and counter signed by the Secretary or any other officer authorised by the Directors for the purpose, that the call in respect of a Share or debenture was made and notice thereof given and that default in payment of the call was made and that the forfeiture of the share or debenture was made by the resolution of Directors to that effect</p>
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		<p>shall be conclusive evidence of the facts stated therein as against all persons entitled to such share or debenture.</p> <p>Validity of sales under Articles 45 and 50 Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Directors may, if necessary, appoint some person to execute an instrument of transfer of the shares or debentures sold and cause the purchaser's name to be entered in the Register of members or Register of debenture holders in respect of the shares or debentures sold, and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money and after his name has been entered in the Register of members or debenture holders in respect of such shares or debentures the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be for damages only and against the Company exclusively.</p> <p>Cancellation of share/debenture Certificate in respect of forfeited shares/debentures Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate/s originally issued in respect of the relative shares or debentures shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member or debenture holder) stand cancelled and become null and void and be of no effect, and the Directors shall be entitled to issue a duplicate certificate/s in respect of the said shares or debentures to the person/s entitled thereto.</p> <p>Title of purchaser and allottee of forfeited shares/debentures The Company may receive the consideration, if any, given for the share or debenture on any sale, re-allotment or other disposition thereof, and the person to whom such share or debenture is sold, re-allotted or disposed of may be registered as the holder of the share or debenture and shall not be bound to see to the application of the consideration, if any, nor shall his title to the share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the share or debenture.</p> <p>Surrender of Shares or Debentures The Directors may, subject to the provisions of the Act, accept a surrender of any share or debenture from or by any member or debenture holder desirous of surrendering them on such terms as they think fit.</p>
XIII.		TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES
	13.	<p>Register of transfers The company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.</p> <p>Form of transfer The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act, shall be duly complied with in respect of all transfer of shares and registration thereof.</p> <p>Instrument of transfer to be executed by transferor and transferee Every such instrument of transfer shall be signed both by the transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of Members in respect thereof.</p> <p>Directors may refuse to register transfer (a) Subject to the provisions of Section 111 of the Act, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of a transfer shall not be refused on the ground of the transferor being either</p>

		<p>alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares. Transfer of shares/debentures in whatever lot shall not be refused..</p> <p>(b) Nothing in Sections 108, 109 and 110 of the Act shall prejudice this power to refuse to register the transfer of, or the transmission on legal documents by operation of law of the rights to, any shares or interest of a member in, any shares or debentures of the Company.</p> <p>Transfer of shares</p> <p>(a) An application of registration of the transfer of shares may be made either by the transferor or the transferee provided that where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee and subject to the provisions of Clause (d) of this Article, the Company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register of members the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.</p> <p>(b) For the purpose of clause (a) above notice to the transferee shall be deemed to have been duly given if sent by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered to him in the ordinary course of post.</p> <p>(c) It shall not be lawful for the Company to register a transfer of any shares unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee has been delivered to the Company alongwith the Certificate relating to the shares and if no such Certificate is in existence, alongwith the letter of allotment of shares. The Directors may also call for such other evidence as may reasonably be required to show the right of the transferor to make the transfer provided that where it is proved to the satisfaction of the Directors of the Company that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Directors think fit, on an application in writing made by the transferee and bearing the stamp required by an instrument of transfer register the transfer on such terms as to indemnity as the Directors may think fit.</p> <p>(d) Nothing in clause (c) above shall prejudice any power of the company to register as shareholder any person to whom the right to any share has been transmitted by operation of law.</p> <p>(e) The company shall accept all applications for transfer of shares/debentures, however, this condition shall not apply to requests received by the company;</p> <p>(A) for splitting of a share or debenture certificate into several scripts of very small denominations;</p> <p>(B) proposals for transfer of shares/debentures comprised in a share/debenture certificate to several parties involving, splitting of a share/debenture certificate into small denominations and that such split/transfer appears to be unreasonable or without any genuine need.</p>
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		<ul style="list-style-type: none"> <li>i. transfer of Equity shares/debentures made in pursuance of any statutory provision or an order of a competent court of law;</li> <li>ii. the transfer of the entire Equity shares/debentures by an existing shareholder/debenture holder of the Company holding under one folio less than 10 (ten) Equity Shares or 10 (ten) debentures (all relating to the same series) less than in market lots by a single transfer to a single or joint transferee.</li> <li>iii. the transfer of not less than 10 (ten) Equity shares or 10 (ten) debentures (all relating to the same series) in favour of the same transferee(s) under two or more transfer deeds, out of which one or more relate(s) to the transfer of less than 10 (ten) Equity Shares/ 10 (ten) debentures.</li> <li>iv. the transfer of less than 10 (ten) Equity shares or 10 (ten) debentures (all relating to the same series) to the existing share holder/debenture holder subject to verification by the Company.</li> </ul> <p>Provided that the Board may in its absolute discretion waive the aforesaid conditions in a fit and proper case(s) and the decision of the Board shall be final in such case(s).</p> <p>(f) Nothing in this Article shall prejudice any power of the Company to refuse to register the transfer of any share.</p> <p>Custody of Instrument of transfer</p> <p>[A] The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.</p> <p>Dematerialisation/Rematerialisation</p> <p>[B] Notwithstanding anything contained in these Articles the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>Option for Investors</p> <p>[C] Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the Securities can at any time option out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall in the manner and within the time prescribed, issued to the beneficial owner the required Certificates for the Securities. If a person options to hold its Security with Depository, the Company shall intimate such depository the details of allotment of the Security.</p> <p>Securities in Depository to be in fungible form</p> <p>[D] All securities of the Company held by the Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Act shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</p>
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Rights of Depositories and Beneficial Owners

- [E] Notwithstanding any thing to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (i) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the Securities held by it.
- (iii) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the record of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

Service of Documents

- [F] Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

- [G] Nothing contained in Section 108 of the Act, shall apply to a transfer of Securities effect by a transferor and transferee both of whom are entered as beneficial owners in the record of a depository.

Allotment of Securities dealt with in a depository

- [H] Notwithstanding anything contained in the Act, where Securities are dealt with by a depository the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

Register and Index of Members.

- [I] The company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a-depository under Section 11 of the Depositories Act, 1996 shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

Applicability of the depositories Act

- [J] In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form with a Depository, the provisions of the Depositories Act, 1996 shall apply.

Transfer books and Register of members when closed

The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situate, to close the Transfer books, the Register of members or Register of debenture holders at such time

or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty five days in each year.

**Transfer to Minors etc.**

Only fully paid shares or debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, shares or debentures be transferred to any insolvent or a person of unsound mind.

**Title to shares of deceased holder**

The executors or administrators of a deceased member (not being one or two or more joint holders) or the holder of a deceased member (not being one or two or more joint holders) shall be the only persons whom the Company will be bound to recognise as having any title to the shares registered in the name of such member, and the company shall not be bound to recognise such executors or administrators or the legal representatives unless they shall have first obtained Probate or Letters of Administration or a Succession Certificate, as the case may be, from a duly constituted competent Court in India, provided that in any case where

the Directors in their absolute discretion think fit, the Directors may dispense with the production of Probate or Letter of Administration or a Succession Certificate upon such terms as to indemnity or otherwise as the Directors in their absolute discretion may think necessary and under Article 70 register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member, as a member.

**Registration of persons entitled to share otherwise than by transfer**

(a) Subject to the provisions of Articles 67 and 77 (d), any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance with provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

(b) A transfer of the shares or other interest in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of the instrument of transfer.

**Nominations**

(c) (i) Every Shareholder or Debenture-holder or deposit holder of the Company, may at any time, nominate a person to whom his Shares or Debentures or Deposit shall vest in the event of his death in such manner as may be prescribed under the Act, and shall have all powers vested under Section 1098 of the Depository Act, 1996.

(ii) Where the Shares of Debentures or deposits of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the Shares or Debentures or Deposits as the case may be shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the

manner aforesaid purpose to confer on any person the right to vest the Shares or Debentures or Deposits, the nominee shall, on the death of the Shareholder or Debenture holder or deposit holder, as the case may be on the death of the joint holders become entitled to all the rights in such Shares or Debentures or Deposits as the case may be, all the joint holders, in relation to such Shares or Debentures or Deposits, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may prescribed under the Act.

- (iv) Where the nominee is a minor, it shall be lawful for the holder of the Shares or Debentures or Deposits, to make the nomination to appoint any person to become entitled to Share in, or Debentures or deposits of, the Company, in the manner prescribed under the Act, in the event of his death, during the minority.

**Claimant to be entitled to same advantage**

The person becoming entitled to a share by reason of the death, lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and others advantages to which he would be entitled as if he were registered holder of the shares 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 the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered himself or to transfer shares and if the notice is not complied within sixty days, the Board may thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been complied with.

**Persons entitled may receive dividend without being registered as member**

A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, bonuses or moneys as hereinafter provided be entitled to receive, and may give a discharge for any dividends, bonuses or other moneys payable in respect of the share/ debenture.

Article 70 shall not prejudice the provisions of Articles 44 and 55.

**Refusal to register nominee**

The Directors shall have the same right to refuse on legal ground to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

**Directors may require evidence of transmission**

Every transmission of a share shall be verified in such manner as the Directors may require, and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

**No Fee on transfer or transmission**

No fees shall be charged for registration of transfer, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.

**The Company not liable for disregard of a notice prohibiting registration of transfer**

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or

		<p>interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit.</p> <p>The provisions of these Articles shall mutatis mutandis apply to the transfer or transmission by operation of law, of debentures of the Company.</p>
XIV.		JOINT HOLDER
	14.	<p><b>Joint-holders</b> Where two or more persons are registered as the holders of any shares/debentures, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship subject to the following and other provisions contained in these Articles.</p> <p><b>No transfer to more than four persons as joint-holders</b> (a) The joint holders of any share/debenture shall be liable severally four persons as the holders of any share/debenture.</p> <p><b>Transfer by joint holders</b> (b) In the case of a transfer of shares/ debentures held by joint holders, the transfer will be effective only if it is made by all the joint holders.</p> <p><b>Liability of joint holders</b> (c) The joint holders of any share/debenture shall be liable severally as well as jointly for and in respect of all calls or installments and other payments which ought to be made in respect of such share/ debenture.</p> <p><b>Death of one or more joint holders</b> (d) On the death of any one or more of such joint holders the survivor/ survivors shall be the only person or persons recognised by the company as having any title to the share/debenture, but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares/debentures held by him jointly with any other person.</p> <p><b>Receipt of one sufficient</b> (e) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share/debenture.</p> <p><b>Delivery of certificate and giving of notices to first named holder</b> (f) Only the person whose name stands first in the Register of Members/debenture holders as one of the joint holder of any shares/debentures shall be entitled to the delivery of the certificate relating to such share/debenture or to receive notice (which expression shall be deemed to include all documents as defined in Article (2) (a) hereof and any document served on or sent to such person shall be deemed service on all the joint holders.</p> <p><b>Vote of joint holders</b> (g) (i) Any one of two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the Register in respect of such share shall alone be</p>

		<p>entitled to vote in respect thereof but the other or others of the joint holders shall be entitled to be present at the meeting provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by Attorney or by proxy although the name of such joint holder present by an Attorney or proxy although the name of such joint holder present by an Attorney or proxy stands first or higher (as the case may be) in the Register in respect of such shares.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands shall for the purpose of this clause be deemed joint holders.</p>
XV		BORROWING POWERS
	15.	<p>Restriction on powers of the Board The Board of Directors shall not, except with the consent of the Company in general meeting and subject to Article 172 of articles of the Association of the Company:</p> <p>(a) sell, lease or otherwise dispose of the whole or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking.</p> <p>(b) remit, or give time for the repayment of any debt due by a Director.</p> <p>(c) invest, otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition alter the commencement of this Act, of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it can not be carried on or can be carried on only with difficulty or only after a considerable time.</p> <p>(d) borrow monies where the moneys to be borrowed, together with the moneys already borrowed by the company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose.</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent, of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.</p> <p>Explanation : Every resolution passed by the Company in general meeting in relation to the exercise of the power referred to in clause (d) or in clause (e) shall specify the total amount upto which money may be borrowed by the Board of Directors under clause (d) or as the case may be, the total amount which may be contributed to charitable and other funds in any financial year under clause (e).</p> <p>Conditions on which money may be borrowed The Directors may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of bonds, perpetual or redeemable, debenture or debenture stocks or any mortgage or charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for the time being.</p> <p>Bonds, debentures etc. to be subject to control of Directors Any bonds, debentures, debenture stocks or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the</p>



	<p>Company. Provided that bonds, debentures, debenture stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting by a special resolution.</p> <p>Securities may be assignable free from equities  Debentures, debenture stocks, bonds or other securities may be made assignable free from any equities between the company and the person to whom the same may be issued.</p> <p>Issue at discount etc. or with special privileges  Any bonds, debenture stocks, or other securities may be issued, subject to the provisions of the Act, at a discount premium or otherwise and with any special privileges as to redemption, surrender, drawings, appointment of Directors and otherwise and subject to the following :</p> <p>Debentures with voting rights not to be issued</p> <p>(a) The Company shall not issue any debentures carrying voting rights at any meeting of the Company whether generally or in respect of particular classes of business.</p> <p>(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.</p> <p>(c) Payment of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.</p> <p>(d) Certain charges mentioned in Section 125 of the Act shall be void against the liquidators or creditors unless registered as provided in Section 125 of the Act.</p> <p>(e) The term ‘charge’ shall include mortgage in these Articles.</p> <p>(f) A contract with the Company to take up and pay for any debentures of the Company may be enforced by a decree for specific performance.</p> <p>Limitation of time for issue of certificate</p> <p>(g) The Company shall, within three months after the allotment of any of its debentures or debenture stock, and within one month after the application for the registration of the transfer of any such debentures or debenture stocks have complete and have ready for delivery the Certificate of all the debentures and the Certificates of all debenture stocks allotted or transferred unless the conditions of issue of the debentures or debenture stocks otherwise provide.</p> <p>The expression ‘transfer’ for the purpose of this clause means a transfer dully stamped and otherwise valid and does not include any transfer which the company is for any reason entitled to refuse to register and does not register.</p> <p>Right to obtain copies of and inspect Trust Deed</p> <p>(i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holder of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment.</p> <p>(1) In the case of a printed Trust Deed of the sum of Rupee One and  (2) In the case of a Trust Deed which has not been printed of thirty seven paise for very one hundred words or fractional part thereof required to be copied.</p>
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(ii) The Trust Deed referred to in item (i) above shall also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of the same fees, as if it were the Register of Members of the Company.

**Mortgage of uncalled capital**

If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

**Indemnity may be given**

If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

**Registration of charges**

- (a) The provisions of the Act relating to registration of charges shall be complied with.
- (b) In the case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 125 of the Act shall also be complied with.
- (c) Where a charge is created in India but comprises property outside India, the instrument creating or purporting to create the charge under Section 125 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situate, as provided by Section 125 of the Act.
- (d) Where any charge on any property of the Company required to be registered under Section 125 of the Act has been so registered any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.
- (e) In respect of registration of charges on properties acquired subject to charge, the provisions of Section 127 of the Act shall be complied with.
- (f) The Company shall comply with the provisions of Section 128 of the Act relating to particulars in case of series of debentures entitling holders *pari passu*.
- (g) The Company shall comply with the provisions of Section 129 of the Act in regard to registration of particulars of commission, allowance or discount paid or made, directly or indirectly, in connection with the debentures.
- (h) The provisions of Section 133 of the Act as to endorsement of Certificate of registration on debenture or Certificate of debenture stock shall be complied with by the Company.
- (i) The Company shall comply with the provisions of Section 134 of the Act as regards registration of particulars of every charge and of every series of debentures.
- (j) As to modification of charges the Company shall comply with the provisions of Section 135 of the Act.

		<p>(b) The Company shall comply with the provisions of Section 136 of the Act regarding keeping a copy of instrument creating charge at the registered officer of the company and comply with the provisions of Section 137 of the Act in regard to entering in the register of charges any appointment of Receiver or Manager as therein provided.</p> <p>(c) The Company shall also comply with the provisions of Section 138 of the Act as to reporting satisfaction of any charge and procedure thereafter.</p> <p>(d) The Company shall keep at its registered office a Register of charges and enter therein all charges specifically affecting any property of the Company and all floating charges on the undertaking or on any property of the company giving in each case.</p> <p>(i) a short description of the property charged.</p> <p>(ii) the amount of the charge; and</p> <p>(iii) except in the case of securities to bearer, the names of persons entitled to the charge.</p> <p>(e) Any creditor or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of charges in accordance with and subject to the provisions of Section 144 of the Act.</p> <p>Trust not recognised No notice of any trust, express or implied or constructive, shall be entered on the Register of Debenture holders.</p>
XV.		SHARE WARRANTS
	16.	<p>Powers to issue share warrants The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115 of the Act and accordingly, the Board may, in its discretion, with respect to any share which is fully paid upon application in writing signed by the persons registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time require as to the identity of the person signing the application, and on receiving the certificate (if any) of the share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.</p> <p>Deposit of share warrants</p> <p>(a) The bearer of a share warrant may at any time deposit the warrant at the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting, and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.</p> <p>(b) Not more than one person shall be recognised as depositor of the Share Warrant.</p> <p>(c) The Company shall on two days' written notice return the deposited share warrant to the depositor.</p> <p>Privileges and disabilities of the holders of share warrant</p> <p>(a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or</p>

		<p>exercise any of the privileges of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of members as the holder of the shares included in the warrant and he shall be a member of the Company.</p> <p>Issue of new share warrant or coupon The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>
XV.		CONVERSION OF SHARES INTO STOCK AND RECONVERSION
	17.	<p>Shares may be converted into stock The Company in general meeting may convert any paid up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein or any part of such interests, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up shares of any denomination.</p> <p>Rights of stock holders The holders of stock shall, according to the amount of stock, held by them have the same right, privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held the share from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and 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.</p>
XVII.		GENERAL MEETINGS
	18.	<p>Annual General Meeting Subject to the provisions contained in Sections 166 and 210 of the Act, as far as applicable, the Company shall in each year hold, in addition to any other meetings, a general meeting as its annual general meeting, and shall specify, the meeting as such in the Notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next.</p> <p>Provided that if the Registrar for any special reason, extends the time within which any annual general meeting shall be held, then such annual general meeting may be held within such extended period.</p> <p>Summary of Annual General Meeting The Company may in any one general meeting fix the place for its any annual general meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor. At every annual general meeting of the Company, there shall be laid on the table, the Director's report, the audited statements of accounts and auditor's report (if any, not already incorporated in the audited statements of accounts). The proxy registered with the Company and Register of Director's Share holdings of which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to prepare the Annual list of members, summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.</p>

	<p><b>Time and place of Annual General Meeting</b>  Every annual general meeting shall be called at any time during business hours, on a day that is not a public holiday, and shall be held either at the registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situate, and the notice calling the meeting shall specify it as the annual general meeting.</p> <p>Sections 171 to 186 of the Act shall apply to meetings  Sections 171 to 186 of the Act with such adaptations and modifications, if any, as may be prescribed shall apply with respect to meetings of any class of members or debenture holders of the Company in like manner as they apply with respect to general meetings of the Company.</p> <p><b>Powers of Director's to call Extraordinary General meeting</b>  The Directors may call an extraordinary general meeting of the Company whenever they think fit.</p> <p><b>Calling of Extra Ordinary General Meeting on requisition</b></p> <p>(a) The Board of Directors of the Company shall on the requisition of such number of members of the Company as is specified in clause (d) of this Article, forthwith proceed duly to call an Extraordinary general meeting of the Company.</p> <p>(b) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.</p> <p>(c) The requisition may consist of several documents in the like form, each signed by one or more requisitionists.</p> <p>(d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold at the date of the deposit of the requisition not less than one-tenth of such of the paid up share capital of the Company as at that date carried the right of voting in regard to that matter.</p> <p>(e) Where two or more distinct matters are specified in the requisition the provisions of clause (d) above, shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.</p> <p>(f) If the Board does not, within twenty one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters then on a day not later than forty five days from the date of the deposit of the requisition, the meeting may be called:</p> <p>(i) by the requisitionists themselves;</p> <p>(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of such of the paid-up share capital of the Company as is referred to in clause (d) above, whichever is less.</p> <p>Explanation : For the purpose of this clause, the Board shall in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub- section 189 of the Act.</p> <p>(g) A meeting called under clause (f) above, by the requisitionists or any of them:</p> <p>(i) shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board; but</p>
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	<p>(ii) shall not be held after the expiration of three months from the date of the deposit of the requisition.</p> <p>Explanation : Nothing in clause (g) (ii) above, shall be deemed to prevent a meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some day after the expiry of that period.</p> <p>(h) Where two or more persons hold any shares or interest in the Company jointly, a requisition, or a notice calling a meeting, signed by one or some of them shall, for the purposes of this Article, have the same force and effect as if it had been signed by all of them.</p> <p>(i) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum so repaid shall be retained by the Company out of any sums due to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.</p> <p>Length of notice for calling meeting</p> <p>(a) A general meeting of the Company may be called by giving not less than twenty one days' notice in writing.</p> <p>(b) A general meeting of the Company may be called after giving shorter notice than that specified in clause (a) above, if consent is accorded thereto;</p> <p>(i) in the case of an annual general meeting by all the members entitled to vote thereat; and</p> <p>(ii) in the case of any other meeting, by members of the Company holding not less than 95 (ninety five) per cent of such part of the paid up capital of the Company as gives a right to vote at the meeting;</p> <p>Provided that where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purposes of this clause in respect of the former resolution or resolutions and not in respect of the latter.</p> <p>Contents and manner of service of notice and persons on whom it is to be served</p> <p>(a) Every notice of a meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.</p> <p>(b) Notice of every meeting of the Company shall be given.</p> <p>(i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act;</p> <p>(ii) to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a prepaid letter addressed to them by name, or by the title or representatives of the deceased or assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred;</p>
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		<p>(iii) to the Auditor or Auditors for the time being of the Company in any manner authorised by Section 53 of the Act in the case of any member or members of the Company and</p> <p>(iv) to all the Directors of the Company.</p> <p>Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the statement of material facts referred to in Section 173 of the Act need not be annexed to the notice as required by that Section but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.</p> <p>(c) The accidental omission to give notice to, or the non-receipt of notice by any member or other person to whom it should be given shall not invalidate the proceedings at the meeting.</p> <p>Explanatory statement to be annexed to notice</p> <p>(A) For the purpose of this Article :</p> <p>(i) in the case of an annual general meeting, all business to be transacted at the meeting shall be deemed special with exception of business relating to:</p> <p>(a) the consideration of the accounts, balance sheet and the reports of the Board of Directors and auditors.</p> <p>(b) the declaration of a dividend;</p> <p>(c) the appointment of Directors in the place of those retiring, and</p> <p>(d) the appoint of and the fixing of the remuneration of the auditors, and</p> <p>(ii) in the case of any other meetings, all business shall be deemed special.</p> <p>(B) Where any items of business to be transacted at the meeting are deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including in particular the nature of the concern or interest, if any, therein of every Director, and the manager, if any.</p> <p>Provided that where any item of special business as aforesaid to be transacted at a meeting of the Company relates, to or affects, any other company, the extent of shareholding interest in that other Company of any such person shall be set out in the circumstances specified in the proviso to sub-section (2) of Section 173 of the Act.</p> <p>(C) Where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statements aforesaid.</p> <p>Quorum for meeting</p> <p>(a) Five members personally present shall be the quorum for a general meeting of the company.</p> <p>If quorum not present meeting to be dissolved or adjourned</p>
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	<p>(b) (i) If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting, if called upon by requisition of members, shall stand dissolved.</p> <p>(ii) In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place, as the Board may determine.</p> <p>Adjourned meeting to transact business</p> <p>(c) If at the adjourned meeting also, a quorum is not present within half an hour from the time appointed for holding the meeting, the members present shall be the quorum.</p> <p>Presence of quorum</p> <p>(a) No business shall be transacted at any general meeting unless the requisite quorum be present at the commencement of the business.</p> <p>Business confined to election of chairman whilst chair is vacant</p> <p>(b) No business shall be discussed or transacted at any general meeting except the election of a Chairman whilst the Chair is vacant.</p> <p>Chairman of general meeting</p> <p>(c) The Chairman of the Board of Directors shall be entitled to take the chair at every General Meeting. If there be no Chairman or if at any meeting he shall not be present within 15 (fifteen) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose one of themselves to be the Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Directors present be willing to take the chair, the members present shall choose one of themselves to be the Chairman.</p> <p>If at any meeting a quorum of members shall be present, and the Chair shall not be taken by the Chairman or Vice Chairman of the Board or by a Director at the expiration of 15 (fifteen) minutes from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the Chair, the members present shall choose one of their members to be the Chairman of the meeting.</p> <p>Chairman with consent may adjourn the meeting</p> <p>(d) The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place in the city, town or village where the registered office of the Company is situate.</p> <p>Business at adjourned meeting</p> <p>(e) No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.</p> <p>Notice of adjourned meeting</p> <p>(f) When a meeting is adjourned only for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting.</p> <p>In what cases poll taken with or without adjournment</p> <p>(g) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment shall be taken at the meeting forthwith, save as aforesaid, any business</p>
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		<p>other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.</p> <p>Proxies</p> <p>(a) Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint any other person (whether a member or not) as his proxy to attend and vote instead of himself. A member (and in the case of joint holders all holders) shall not appoint more than one person as proxy. A proxy so appointed shall not have any right to speak at the meeting.</p> <p>Provided that unless where the proxy is appointed by a body corporate a proxy shall not be entitled to vote except on a poll.</p> <p>(b) In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.</p> <p>(c) The instrument appointing a proxy or any other document necessary to show the validity or otherwise relating to the appointment of a proxy shall be lodged with the Company not less than 48 (fourty eight) hours before the meeting in order that the appointment may be effective thereat.</p> <p>(d) The instrument appointing a proxy shall :</p> <p>(i) be in writing and</p> <p>(ii) be signed by the appointer or his attorney duly authorized in writing or, if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorized by it.</p> <p>Form of Proxy</p> <p>(e) Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in usual common form.</p> <p>(f) An instrument appointing a proxy, if in any of the forms set out in Schedule IX to the Act shall not be questioned on the ground that it fails to comply with any special requirements specified for such instrument by these Articles.</p> <p>(g) Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company, provided not less than 3 (three) days' notice in writing of the intention so to inspect is given to the Company.</p>
XIX		VOTES OF MEMBERS
	19.	<p>Restriction on exercise of voting rights of members who have not paid calls</p> <p>(a) No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of lien.</p> <p>(b) Where the shares of the Company are held in trust, the voting power in respect of such</p>

		<p>shares shall be regulated by the provisions of Section 187B of the Act.</p> <p>Restriction on exercise of voting right in other cases to be void  A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 104.</p> <p>Equal rights of share holders  Any shareholder whose name is entered in the Register of Members of the Company shall enjoy the same rights and be subject to the same liabilities as all other shareholders of the same class.</p> <p>Voting to be by show of hands in first instance  At any general meeting a resolution put to vote at the meeting shall unless a poll is demanded under Section 179 of the Act be decided on a show of hands.</p> <p>(a) Subject to the provisions of the Act, upon show of hands every member entitled to vote and present in person shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote, for every share held by him.</p> <p>No voting by proxy on show of hands  (b) No member not personally present shall be entitled to vote on a show of hands unless such member is a body corporate present by proxy or by a representative duly authorised under Sections 187 or 187A of the Act, in which case such proxy or representative may vote on a show of hands as if he were a member of the Company.</p> <p>How members non-compos, minutes and minor may vote  (c) 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 poll vote by proxy; if any member be a minor the vote in respect of his share or shares shall be by his guardians or any one of his guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.</p> <p>Votes in respect of shares of deceased or insolvent members etc.  (d) Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.</p> <p>Custody of Instrument  (e) If any such instrument of appointment be confined to the object of appointing proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof examined with the original, shall be delivered to the Company to remain in the custody of the Company.</p> <p>Validity of votes given by proxy notwithstanding death of members etc.  (f) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office of the Company before the meeting.</p>
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	<p>Time for objections for vote</p> <p>(g) No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by an agent or proxy or representative not disallowed at such meeting or poll shall be deemed valid for all purpose of such meeting of poll whatsoever.</p> <p>Chairman of any meeting to be the judge of any vote</p> <p>(h) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.</p> <p>Chairman's declaration of result of voting by show of hands to be conclusive A declaration by the Chairman in pursuance of Section 177 of the Act that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.</p> <p>Demand for poll</p> <p>(a) Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up.</p> <p>(b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand</p> <p>Time of taking poll</p> <p>(a) A poll demanded on a question of adjournment shall be taken forthwith.</p> <p>(c) A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 175 of the Act) shall be taken at such time not being later than 48 (fourty eight) hours from the time when the demand was made, as the Chairman may direct.</p> <p>Right of a member to use his votes differently On a poll taken at a meeting of the Company a member or other person entitled to vote for him as the case may be, need not, if he votes, use, all his votes or cast in the same way all the votes he uses.</p> <p>Scrutinizers at poll</p> <p>(a) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the votes given on the poll and to report thereon to him.</p> <p>(d) The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and to fill vacancies in the office of scrutinizer arising from such removal or from any other cause.</p> <p>(e) Of the two scrutinizers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed.</p> <p>Manner of taking poll and result thereof</p>
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	<p>(a) Subject to the provisions of the Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.</p> <p>(f) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.</p> <p><b>Casting Vote</b> In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.</p> <p><b>Representation of Body Corporate</b> A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 187 of the Act authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.</p> <p><b>Representation of the President of India or Governors</b> (a) The President of India or the Governor of a State if he is a member of the Company may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 187A of the Act or any other statutory provision governing the same.  (i) A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the President or as the case may be the Governor could exercise, as a member of the Company.</p> <p><b>Public Trustee</b> (j) The Company shall observe the provisions of Section 187B of the Act, in regard to the Public Trustee.</p> <p><b>Circulation of member's resolution</b> The Company shall comply with provisions of Section 188 of the Act, relating to circulation of member's resolutions.</p> <p><b>Resolution requiring special notice</b> The Company shall comply with provisions of Section 190 of the Act relating to resolution requiring special notice.</p> <p><b>Resolutions passed at adjourned meeting</b> The provisions of Section 191 of the Act shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.</p> <p><b>Registration of resolutions and agreements</b> The Company shall comply the provisions of Section 192 of the Act relating to registration of certain resolutions and agreements.</p> <p><b>Minutes of proceedings of general meeting and of Board and other meetings</b> (a) The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.</p>
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		<p>(k) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed:</p> <ul style="list-style-type: none"> <li>(i) in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</li> <li>(ii) in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</li> </ul> <p>(l) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>(m) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>(n) All appointment of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>(o) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <ul style="list-style-type: none"> <li>(i) the names of the Directors present at the meetings, and</li> <li>(ii) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.</li> </ul> <p>(p) Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting :</p> <ul style="list-style-type: none"> <li>(i) is or could reasonably be regarded, as defamatory of any person</li> <li>(ii) is irrelevant or immaterial to the proceedings; or</li> <li>(iii) is detrimental to the interests of the Company.</li> </ul> <p>The Chairman shall exercise an absolute discretion in regard to the inclusion or no- inclusion of any matter in the minutes on the grounds specified in this clause.</p> <p>Minutes to be considered to be evidence</p> <p>(q) The minutes of meetings kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.</p> <p>Presumptions to be drawn where minutes duly drawn and signed</p> <p>Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or of a Committee of the Board have been kept in accordance with the provisions of Section 193 of the Act then until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.</p> <p>Inspection of Minute Books of General Meetings</p> <p>(a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <ul style="list-style-type: none"> <li>(i) be kept at the registered office of the Company, and</li> </ul>
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		<p>(ii) be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>(b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause above, on payment of thirty seven paise for every one hundred words or fractional part thereof required to be copied.</p> <p>Publication of reports of proceeding of general meetings No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 193 of the Act to be contained in the Minutes of the proceedings of such meeting.</p>
XX		MANAGERIAL PERSONNEL
	20.	<p>Managerial Personnel The Company shall duly observe the provisions of Section 197A of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.</p>
XX		BOARD OF DIRECTORS
	21.	<p>Board of Directors The First Directors of the Company shall be :</p> <p>(i) VIPULBHAI LALJIBHAI GHONIA (ii) KAMALBHAI LALJIBHAI GHONIA (iii) LALJIBHAI KESHAVBHAI GHONIYA</p> <p>and the maximum number of Directors shall not exceed 11 (eleven) and minimum number of Directors shall be less than 3 (Three).</p> <p>Appointment of Senior Executive as Whole-time Directors</p> <p>(iv) (a) Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any Senior Executive of the Company as a Wholetime Director of the Company for such period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>(v) He shall be liable to retire by rotation as provided in the Act but shall be eligible for reappointment. His reappointment as a Director shall not constitute a break in his appointment as Whole-time Director.</p> <p>(vi) He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation.</p> <p>(vii) He shall cease to be a Director of the Company on the happening of any event specified in Sections 283 and 314(2C) of the Act. He shall cease to be a Director of the Company, if for any reason whatsoever, he ceases to hold the position of Senior Executive in the Company or ceases to be in the employment of the Company.</p> <p>(viii) Subject to what is stated hereinabove he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by the Managing Director/s and/or the Board, shall exercise such powers and authorities</p>

		<p>subject to such restrictions and conditions and/or stipulations as the Managing Director/s and/or the Board may, from time to time determine.</p> <ul style="list-style-type: none"> <li>• Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any of such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such Wholetime Directors.</li> </ul> <p>Debenture Director</p> <p>(ix) Any Trust Deed for securing debentures or debenture stocks, may, if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of debentures or debenture stocks, of some person or persons to be a Director or Directors of the Company and may empower such Trustees or holders of debentures or debenture stocks from time to time, to remove and reappoint any Director/s so appointed. The Director/s so appointed under this Article is herein referred to as “Debenture Director” and the term “Debenture Director” means the Director for the time being in office under this Article. The Debenture Director(s) shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.</p> <p>Nominee Director</p> <p>(x) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), The Industrial Credit and Investment Corporation of India Ltd. (ICICI), Industrial Finance Corporation of India (IFCI) and Life Insurance Corporation of India (LIC) or to any other Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC and Unit Trust of India (UTI) or any other Financing Corporation or Credit Corporation or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, LIC and UTI or any other Finance Corporation or Credit Corporation or any other Financing Company or Body is hereinafter in this Article referred to as “the Corporation”) continue to hold debentures in the Company as a result of underwriting or by direct subscription or private placement, or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.</p> <p>The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.</p> <p>The Nominee Director/s so appointed shall hold the said office only so long as any money remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate</p>
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		<p>such office immediately the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any guarantee furnished by the Corporation.</p> <p>The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and of the Meetings of the Committee of which the Nominee Director's is/are member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Director/s in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s.</p> <p>Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fee in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.</p> <p>Provided further that if such Nominee Director/s is an officer of the Reserve Bank of India the sitting fees in relation to such Nominee Director/s shall also accrue to IDBI and the same shall accordingly be paid by the Company directly to IDBI.</p> <p>Provided also that in the event of the Nominee Director/s being appointed as Whole-time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a Whole-time Director in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Lenders.</p> <p>Special Director</p> <p>(Xi) (a) In connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such Company, Corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint from time to time any person or persons as Director or Directors of the Company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification share to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such Collaborator under collaboration arrangements or at any time thereafter.</p> <ul style="list-style-type: none"> <li>• The collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.</li> <li>• It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as Director(s) and so that if more than one Collaborator is so entitled there may at any time be as many Special Directors as the Collaborators eligible to make the appointment.</li> </ul>
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(Xii) Subject to the provisions of Section 255 of the Act, the number of Directors appointed under Articles 130 and 131 shall not exceed in the aggregate one-third of the total number of Directors for the time being in office.

Appointment of Alternate Director

(Xiii) (a) The Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter in this Article called “the Original Director”) during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held.

- An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State in which meeting of the Board are ordinarily held.
- If the term of office of the Original Director is determined before he returns to the State aforesaid any provision for the automatic reappointment of retiring Directors in default of another appointment shall apply to the original and not to the Alternate Director.

Appointment of Additional Directors

(Xiv) Subject to the provisions of Section 260 of the Act, the Board of Directors shall have power at any time to appoint any person as an additional Director to the Board, but so that the total number of Directors shall not exceed the maximum number fixed by these Articles. Any Director so appointed shall hold the office only upto the next annual general meeting of the Company and shall then be eligible for re-appointment.

Appointment of Director to fill the casual vacancy

(Xv)(a) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid but he shall then be eligible for re-election.

Individual Resolution for Directors’ appointment

- At a general meeting of the Company a motion shall not be made for the appointment of two or more persons as Director of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. Resolution moved in contravention of this Article shall be void whether or not objection was taken at the time of its being so moved. Provided that where a resolution so moved is passed no provision for the automatic reappointment of retiring Director by virtue of these Articles and the Act in default of another appointment shall apply.

Appointment of chairman

(Xvi) The directors may from time to time elect among themselves a chairman of the Board and determine the period for which he is to hold office if at any meeting of the Board, the chairman is not present within fifteen minutes after the time appointed for holding the same, the directors present may choose one of their members to be chairman of the meeting.

	<p>Qualification of Director  <b>(XVII)</b> A Director need not hold any shares in the Company to qualify him for the office of a Director of the Company.</p> <p>Remuneration of Directors  <b>(XVIII)</b> (a) Subject to the provisions of the Act, a Managing Director or a Director who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.</p> <ul style="list-style-type: none"> <li>• Subject to the provisions of the Act, a Director, who is neither in the whole time employment nor a Managing Director may be paid remuneration either :</li> </ul> <p><b>(XIX)</b> by way of monthly, quarterly or annual payment with the approval of the Central Government, or</p> <p><b>(XX)</b> by way of commission if the Company by a special resolution has authorised such payment.</p> <ul style="list-style-type: none"> <li>• the fee payable to Directors (other than Managing or Wholetime Director, if any) for attending each meeting of the Board or Committee thereof shall be such sum as may be prescribed by the Act or the Central Government from time to time.</li> </ul> <p>Traveling and other expenses  <b>(XXI)</b> The Board may allow and pay to any Director for the purpose of attending a meeting such sum either as fixed allowance and/or actual as the Board may consider fair compensation for traveling, board and lodging and incidental and/or such actual out of pocket expenses incurred by such Director in addition to his fees, for attending such meeting to and from the place at which the meetings of the Board or Committees thereof or general meetings of the Company are held from time to time or any other place at which the Director executes his duties.</p> <p>Remuneration for extra services  <b>(XXII)</b> If any Director, being willing shall be called upon to perform extra services or to take any special exertions for any of the purposes of the Company and in that event the Company may, subject to provision of the Act, remunerate such Director either by a fixed sum or by a percentage of profit or otherwise, as may be determined by the Directors but not exceeding that permitted under Section 309 of the Act and such remuneration may be either in addition to or in substitution for his share in the remuneration above provided.</p> <p>Increase in remuneration of Directors  <b>(XXIII)</b> (a) Any provisions relating to the remuneration of any Director including a Managing or Joint Managing or Wholetime Director or any amendment thereof, which purports to increase or has the effect of increasing, whether directly or indirectly, the amount thereof, whether that provision is contained in the Company's Memorandum or its Articles, or in an agreement entered into by it or any resolution, passed by the Company in general meeting or by the Board of Directors, shall require 310, 311 Schedule XIII and other applicable provisions of the Companies Act, 1956, and their amendment from time to time.</p> <p>Increase in remuneration of Managing Director on re-appointment or appointment</p> <ul style="list-style-type: none"> <li>• If the terms of any re-appointment of a Managing or Joint Managing or Wholetime Director, purport to increase or have the effect of increasing, whether directly or indirectly, the remuneration which the Managing or Joint Managing or Wholetime Director, as the case may be was receiving immediately before such reappointment or appointment shall</li> </ul>
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	<p>require the approval of the Central Government unless they are in accordance with Sections 198, 269, 309, 311 Schedule XIII and other applicable provisions of the Companies Act, 1956, and their amendment from time to time.</p> <p>Directors not to act when number falls below minimum</p> <p>(XXIV) When the number of Directors in Office falls below the minimum above fixed, the Directors, shall not act except in emergencies or for the purpose of filling up vacancies or for summoning a general meeting of the Company and so long as the number is below the minimum they may so act notwithstanding the absence of the necessary quorum.</p> <p>Eligibility</p> <p>(XXV) A person shall not be capable of being appointed a Director if he has the disqualifications referred to in Section 274 of the Act.</p> <p>Directors vacating office</p> <p>(XXVI) (a) The Office of a Director shall become vacant if;</p> <p>(XXVII) he is found to be of unsound mind by a Court of competent jurisdiction;</p> <p>(XXVIII) he applied to be adjudicated an insolvent;</p> <p>(XXIX) he is adjudged an insolvent;</p> <p>(XXX) he is convicted by a Court, of any offence involving moral turpitude and sentenced in respect thereof the imprisonment for not less than six months;</p> <p>(XXXI) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;</p> <p>(XXXII) he absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board of Directors for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board;</p> <p>(XXXIII) he, whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a Director, accepts a loan or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act;</p> <p>(XXXIV) he acts in contravention of Section 299 of the Act;</p> <p>(XXXV) he becomes disqualified by an order of Court under Section 203 of the Act;</p> <p>(XXXVI) he is removed in pursuance of Section 284 of the Act;</p> <p>(XXXVII) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;</p> <p>(XXXVIII) he resigns his office by notice in writing given to the Company.</p> <p>(XXXIX) Notwithstanding anything in sub-clauses (iii), (iv) and (v) of clause (a) above, the disqualifications referred to in these sub-clauses shall not take effect;</p> <ul style="list-style-type: none"> <li>• for thirty days from the date of the adjudication, sentence or order;</li> <li>• where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed off, or</li> <li>• where within the seven days aforesaid, any further appeal, or petition is preferred in respect of the adjudication, sentence, conviction or order and the appeal or petition, if</li> </ul>
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allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed off.

Removal of Directors

(xl) (a) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any Director other than ex-officio Directors or special Directors or debenture Directors or a nominee Director or a Director appointed by the Central Government in pursuance of Section 408 of the Act, before the expiry of his period of office.

- Special notice as provided by Section 190 of the Act shall be required of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
- On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.
- Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall unless the representations are received by it too late for it do so,
  - in the notice of the resolution given to members of the Company states the fact of the representations having been made, and
  - send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representations, is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations be read out at the meeting provided that copies of the representations need not be sent or read out at the meeting if so directed by the Court.
- A vacancy created by the removal of a Director under this Article may, if he had been appointed in pursuance of Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given under clause (b) hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.
- If the vacancy is not filled under clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they may be applicable, of Section 262 of the Act, and all the provisions of that Section shall apply accordingly;

Provided that the Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors

- Nothing contained in this Article shall be taken;

(xli) as depriving a person removed thereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director or of any appointment terminating with that as Director; or

	<p>(xlii) as derogating from any power to remove a Director which may exist apart from this Article.</p> <p>Directors may contract with Company</p> <p>(xliii) (a) Subject to the restrictions imposed by these Articles and by Sections 292, 293, 294, 295, 297, 300, 311, 370 and 373 and any other provisions of the Act, no Director, Managing Director, or other Officer or employee of the Company shall be disqualified from holding his office by contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director, Managing Director, Joint Managing Director, Executive Director, other officer or employee shall be in any way interested, be avoided, nor shall the Director, Managing Director or any officer or employee so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director, Managing Director, Officer or employee holding that office or of the fiduciary relation thereby established, but the nature of his or their interest must be disclosed by him or them in accordance with the provisions of Section 299 of the Act where that section be applicable.</p> <ul style="list-style-type: none"> <li>• In accordance with Section 300 of the Act, no Director shall, as a Director, vote or take part in any discussion in respect of any contract or arrangement in which he is interested and if he does so vote, his vote shall be void nor shall his presence count for the purpose of forming the quorum at the time of any such discussion or vote.</li> </ul> <p>Provided that above prohibition or restriction shall not apply to the extent or under the circumstances mentioned in sub-section (2) of Section 300 of the Act.</p> <ul style="list-style-type: none"> <li>• A General notice such as is referred to in sub-section (3) of Section 299 of the Act shall be sufficient disclosure under this Article as provided in that Section.</li> </ul> <p>Directors may be Directors of companies promoted by the company</p> <p>(xliv) A Director, Managing Director, Officer or employee of the Company may be, or become a Director, of any Company promoted by the Company or in which it may be interested as a vendor, member or otherwise, and no such Director shall be accountable for any benefits received as Director or member of such company except to the extent and under the circumstances as may be provided in the Act.</p> <p>Duty of Directors etc. to make disclosure</p> <p>(xlv) (a) Every Director (including a person deemed to be a Director by virtue of the explanation to subsection (1) of Section 303 of the Act), Managing Director, Manager or Secretary of the Company, who is appointed to or relinquishes the office of Director, Managing Director, Manager or Secretary of any other body corporate shall, within twenty days of his appointment or relinquishment of such office, as the case may be, disclose to the Company aforesaid the particulars relating to the office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.</p> <ul style="list-style-type: none"> <li>• Every Director of the Company and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act and every other person referred to in sub-section (11) of Section 307 of the Act, shall give notice to the Company of such matters as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section and Section 308 of the Act.</li> </ul>
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	<p>Directors etc. not to hold office or place of profit  <b>(xlvii)</b> The provisions of Section 314 of the Act shall be complied with when applicable in regard to holding of office or place of profit under the Company or under any subsidiary of the Company by any person mentioned in the said section. The words office or place of profit shall have the meaning assigned to them by Section 314 of the Act.</p> <p>Loans to Directors  <b>(xlviii)</b> The Company shall observe the restrictions imposed on the Company in regard to granting of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any of the Act.</p> <p>Appointment of Sole Selling Agents  <b>(xlix)</b> (a) The appointment, re-appointment and extension of the term of a Sole Selling Agent, shall be regulated in accordance with the provision of Section 294 of the Act and any rules or Notifications issued by competent authority in accordance with that section and the Directors and/or the Company in general meeting may make the appointment, re-appointment or extension of the term of office in accordance with and subject to the provisions of the said Section and such Rules or Notification, if any, as may be applicable.</p> <ul style="list-style-type: none"> <li>• The payment of any compensation to a Sole Selling Agent shall be subject to the provisions under Section 294 A of the Act.</li> </ul> <p>Board resolution at a meeting necessary for certain contract  <b>(l)</b> (a) Except with the consent of the Board of Directors of the Company and with the previous approval of the Central Government a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm, or a private company of which the Director is a member or Director, shall not enter into any contract with the Company;</p> <p><b>(i)</b> for the sale, purchase or supply of any goods, materials or services, or  <b>(ii)</b> for underwriting the subscription of any shares in, or debentures of the Company;  <b>(iii)</b> Nothing contained in the foregoing sub-clause (a) shall affect:</p> <ul style="list-style-type: none"> <li>• the purchase of goods and materials from the Company or the sale of goods and materials to the Company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</li> <li>• any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other side of sale, purchase, or supply of any goods, materials and services in which either the Company or the Directors, relative firm, partner or private company as the case may be, regularly trades or does business;</li> </ul> <p>Provided that such contract or contracts do not relate to goods and materials the value of which, or service cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.</p> <p><b>(iv)</b> Notwithstanding anything contained in the foregoing sub-clause (a) and (b) a Director, relative, firm, partner of private company as aforesaid, may in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods, materials or services exceeds five thousand rupees in the aggregate in any</p>
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		<p>year comprised in the period of the contract; but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.</p> <p>(liv) Every consent of the Board required under this clause shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under sub-clause (a) above shall not be deemed to have been given within the meaning of that sub-clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.</p> <p>(lv) If consent is not accorded to any contract under this clause, anything done in pursuance of the contract shall be voidable at the option of the Board.</p> <p>(lvi) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.</p> <p>(lvii) The Company shall also comply with such other provision of Section 297 of the Act, as may be applicable.</p>
XX		ROTATION OF DIRECTORS
	22.	<p>Rotation of Directors Not less than two thirds of the total number of Directors shall:</p> <ol style="list-style-type: none"> <li>a. be persons whose period of office is liable to determination by retirement of Directors by rotation, and</li> <li>b. save as otherwise expressly provided in the Act, be appointed by the Company in general meeting.</li> </ol> <p>The remaining Directors shall, in default of and subject to any regulations in the Articles of the Company, also be appointed by the Company, in general meeting.</p> <p>Ascertainment of Directors retiring by rotation and filling up vacancies</p> <ol style="list-style-type: none"> <li>(a) At every annual general meeting one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearer to one-third, shall retire from office.</li> <li>(r) The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement amongst themselves, be determined by lot.</li> <li>(s) At the annual general meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto.</li> <li>(t) <ol style="list-style-type: none"> <li>(i) If the place of the retiring Director is not so filled up and that meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</li> <li>(ii) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:</li> </ol> </li> </ol>

		<p>a. at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;</p> <p>b. the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;</p> <p>c. he is not qualified or is disqualified for appointment;</p> <p>d. a resolution, whether special or ordinary, is required for his appointment or re-appointment in virtue of any provisions of the Act; or</p> <p>(u) The proviso to sub-section (2) of Section 263 of the Act is applicable to the case.</p> <p>Explanation : In this Article and Article 156 the expression ‘Retiring Director’ means Director retiring by rotation.</p> <p>Right of persons other than retiring Directors to stand for Directorship  (a) A person who is not a retiring Director shall, in accordance with Section 257 of the Act and subject to the provisions of the Act, be eligible for appointment to the office of Director at any general meeting if he or some member or members intending to propose him has, not less than fourteen days before the meeting, left at the registered office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member or members to propose him as a candidate for that office, as the case may be along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.</p> <p>(v) The Company shall inform its members of the candidature of a person for the office of Director or the intention of a member(s) to propose a person as a candidate for that office by serving individual notices on the members not less than seven days before the meeting in the manner provided under Section 257 of the Act.</p> <p>Consent of candidate for Directorship to be filed with the Registrar  Every person who is proposed as a candidate for the office of Director of the Company shall sign and file with the Company and with the Registrar, his consent in writing to act as a Director, if appointed, in accordance with the provisions of Section 264 of the Act in so far as they may be applicable.</p>
XXIII.		PROCEEDINGS OF DIRECTORS
	23.	<p>Meeting of Directors  The Directors may meet together as a Board for the dispatch of business from time to time and shall so meet at least once in every three months and at least four times such meetings will be held in every year and they may adjourn and otherwise regulate their meetings and proceedings as they deem fit. The provisions of this Article shall not be deemed to be contravened merely by reason of the fact that meetings of the Board, which had been called in compliance with the terms herein mentioned, could not be held for want of quorum.</p> <p>When meeting to be convened  Any Director of the Company may and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.</p> <p>Directors entitled to notice  Notice of every meeting of the Board of the Company shall be given in writing to every Director for the time being in India and at his usual address in India.</p> <p>Questions at Board meeting how decided  Question arising at any time at a meeting of the Board shall be decided by majority of votes and in case of equality of votes, the Chairman, in his absence the Vice Chairman or the Director presiding shall have a second or casting vote.</p>



	<p>Who to preside at meetings of the Board</p> <p>(a) The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office. The Directors may also appoint a Vice Chairman of the Board of Directors to preside at the meetings of the Board of Directors at which the Chairman shall not be present and determine the period for which he is to hold office.</p> <p>(b) All the meetings of the Directors shall be presided over by the Chairman, if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same, the Vice Chairman, if present, shall preside and if he be not present at such time then and in that case the Directors shall choose one of the Directors then present to preside at the meeting.</p> <p>Quorum at Board Meeting</p> <p>(a) The quorum at a meeting of the Director shall be as prescribed by Section 287 of the Act.</p> <p>Quorum competent to exercise power</p> <p>(c) A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the regulations or the Articles of the Company for the time being vested in or exercisable by the Directors generally.</p> <p>Procedure in case of want of quorum</p> <p>(d) If a meeting of the Board could not be held for want of quorum, then the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a Public Holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>Directors may appoint committee</p> <p>Subject to the provisions of Section 292 and other provisions of the Act and Article 165 the Directors may delegate all or any of their powers to committees consisting of such member or members of their body as they think fit, and they may, from time to time revoke and discharge any such Committee either wholly or in part, and either as to persons or purposes, but every Committee so formed shall in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Directors. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointments but not otherwise, shall have the like force and effect as if done by the Board. Subject to the provisions of the Act the Board may from time to time fix the remuneration to be paid to any member or members of that body constituting a Committee appointed by the Board in terms of these Articles, and may pay the same.</p> <p>Resolution by circular</p> <p>Subject to the provisions of Section 289 of the Act, a resolution passed without any meeting of Directors, or of a Committee of Directors appointed under these Articles and evidenced by writing under the hands of all the Directors or members of such Committee as aforesaid, for the time being in India, be as valid and effectual as a resolution dully passed at a meeting of the Directors or of such committee called and held in accordance with the provisions of these Articles.</p> <p>Provided that the resolution has been circulated in draft, together with the necessary papers, if any, to such Directors, or members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or the Committee as the case may be) and all other Directors or members at their usual address in India and has been approved by such Directors as are then in India or by majority of such of them, as are entitled to vote on the resolution.</p> <p>Limit of Directors' numbers</p> <p>Subject to the provisions of Sections 252, 255 and 259 of the Act, the Company in general meeting may, by ordinary resolution, increase or reduce the number of Directors within the limits fixed in that behalf by these Articles.</p>
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		<p>Acts of Board or Committee valid notwithstanding defect of appointment  All acts done by any meeting of the Directors or by a Committee of Directors or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or they or any of them were or was disqualified or that their or his appointment had terminated by virtue of any provisions contained in these Articles or the Act, be as valid as if every such person has been duly appointed and was qualified to be a Director.</p> <p>Minutes of proceedings of the Board and the Committees to be valid  The Directors shall cause minutes to be duly entered in a book or books provided for the purpose in accordance with these Articles and Section 193 of the Act.</p> <p>Board Minutes to be evidence  Minutes of any meeting of the Board of Directors or of any Committees of the Board if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting shall be for all purposes whatsoever prima facie evidence of the actual passing of the resolution recorded and the actual and regular transaction or occurrence of the proceedings so recorded and the regularity of the meeting at which the same shall appear to have taken place.</p> <p>Register of Directors and Managing Directors etc.  The Directors shall cause to be kept at the registered office of the Company:</p> <p>(a) (i) A Register of the Directors, Managing Directors, Manager and Secretary of the Company containing the particulars required by Section 303 of the Act.  (ii) A Register of Contracts with companies and firms in which the Directors are interested, containing the particulars required by Section 301 of the Act, and  (iii) A Register of Directors shareholding containing the particulars required by Section 307 of the Act. They shall also cause to be kept other registers and indexes as required by the Act.</p> <p>(b) The Company shall comply with the provisions of Sections 301, 303 and 307 and other Section of the Act with regard to the inspection of registers and furnishing copies or extracts so far as the same be applicable to the Company.</p>
XX		POWERS OF DIRECTORS
	24.	<p>Certain powers to be exercised by the Board only at meeting</p> <p>(a) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <p>(i) The power to make calls on shareholders in respect of money unpaid on their shares;</p> <p>(ii) The power to issue debenture;</p> <p>(iii) The power to borrow moneys otherwise than on debentures;</p> <p>(iv) The power to invest the funds of the Company, and</p> <p>(v) The power to make loans.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clause (iii), (iv) and (v) to the extent specified in clauses (b), (c) and (d) respectively on such condition as the Board may prescribe.</p>

		<p>(b) Every resolution delegating the power referred to in sub-clause (iii) of clause (a) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegate.</p> <p>(c) Every resolution delegating the power referred to in sub-clause (iv) of clause (a) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>(d) Every resolution delegating the power referred to in sub-clause (v) of clause (a) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be and the maximum amount upto which loans may be made for each such purpose in individual cases.</p> <p>(e) Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any other powers referred to in sub-clauses (i), (ii), (iii), (iv) and (v) of clause (a) above.</p> <p>Restriction on powers of Board</p> <p>(a) The Board of Directors of the Company shall not except with the consent of the Company in general meeting:</p> <ol style="list-style-type: none"> <li>1. sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking.;</li> <li>2. remit, or give time for the repayment of any debt, due by a Director;</li> <li>3. invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in sub-clause (i) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</li> <li>4. borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</li> <li>5. contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees any amounts the aggregate of which will in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years, immediately proceedings, whichever is greater.</li> </ol> <p>(b) Nothing contained in sub-clause (a) above shall affect:</p> <ol style="list-style-type: none"> <li>a. the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</li> <li>b. the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</li> </ol>
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		<p>(c) Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (a) (i) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>(d) No debt incurred by the Company in excess of the limit imposed by sub-clause (iv) of clause (a) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p> <p>Prohibition regarding making of political contributions</p> <p>(e) Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in sub-section (1) of Section 293 of the Act and in regard to the limitations on the power of the Company contained in Section 293A of the Act.</p> <p>General powers of the Company vested in Directors  Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.</p> <p>Specific powers given to Directors  Without prejudice to the general powers conferred by Article 172 and the other powers conferred by these presents and so as not in any way to limit any or all of those powers, it is hereby expressly declared that the Directors shall have the following powers :</p> <p>To pay registration expense</p> <p>(i) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;</p> <p>(ii) to pay and charge to the capital account of the Company any interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.</p> <p>To acquire property</p> <p>(iii) Subject to the provisions of the Act and these Articles to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory;</p> <p>To purchase lands, buildings etc.</p> <p>(iv) Subject to the provisions of the Act to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in</p>
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		<p>any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>To construct buildings  <b>(v)</b> To erect, construct, enlarge, improve, alter, maintain, pull down, rebuild or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</p> <p>To mortgage, charge property  <b>(vi)</b> To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 293 of the Act, any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>To pay for property etc.  <b>(vii)</b> At their discretion to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture-stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</p> <p>To insure  <b>(viii)</b> To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>To open accounts  <b>(ix)</b> Subject to Section 292 of the Act, to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>To secure contracts  <b>(x)</b> To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>To attach to Shares such conditions  <b>(xi)</b> To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>To accept surrender of shares  <b>(xii)</b> To accept from any member on such terms and conditions as shall be agreed a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p>
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	<p>To appoint trustees</p> <p>(Xiii) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>To bring and defend actions</p> <p>(Xiv) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 293 of the Act to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>To refer to arbitration</p> <p>(Xv) To refer, subject to the provisions of Section 293 of the Act, any claims or demands by or against the Company to arbitration and observe and perform the awards;</p> <p>To act on insolvency matters</p> <p>(Xvi) To act on behalf of the Company in all matters relating to bankrupts and insolvents;</p> <p>To give receipts</p> <p>(Xvii) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company subject to the provisions of Section 293 of the Act.</p> <p>To authorise acceptances</p> <p>(Xviii) To determine from time to time as to who shall be entitled to sign bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents on the Company's behalf;</p> <p>To invest moneys</p> <p>(Xix) Subject to the provisions of Sections 292, 293, 370, 372 of the Act, invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such shares, securities, or investments (not being shares in this Company) and in such manner as they may think fit, and from time to time to vary or realise such investments;</p> <p>To provide for personal liabilities</p> <p>(XX) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the for benefit of the Company, such mortgages of the Company's property (present and future) as they may think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;</p> <p>To give to Directors etc. an interest in business</p> <p>(XXi) Subject to such sanction as may be necessary under the Act or these Articles, to give to any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>To provide for welfare of employees</p>
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	<p>(XXii) To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chaws or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit.</p> <p>To subscribe to charitable and other funds</p> <p>(XXiii) To subscribe or contribute or otherwise to assist or to guarantee money to charitable benevolent, religious, scientific, national public or any other useful institutions, object or purposes for any exhibition;</p> <p>To maintain pension funds</p> <p>(XXiv) To establish and maintain or procure the establishment and maintenance of any contributory or non-contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at any time Directors or Officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidies and subscribe to any institutions, associations, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other company as aforesaid;</p> <p>(XXv) To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>To create Reserve Fund</p> <p>(XXvi) Before recommending any dividend, to set aside out of profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund or Reserve Fund or Sinking Fund or any other special fund to meet contingencies or to repay redeemable preference shares, debentures, or debenture stock or for special dividends or for equalising dividend or for repairing, improving, extending and maintaining any part of the property of the Company, and for such other purposes as the Directors may, in their absolute discretion, think conducive to the interests of the Company and to invest the several sums so set aside or so much thereof as required to be invested upon such investments (subject to the restrictions imposed by Sections 292 and 293 and other provisions of the Act) as the Directors may think fit, and from time to time, to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purposes as the Directors (subject to such restrictions as aforesaid) in their absolute discretion think conducive to the interests of the</p> <p>Company notwithstanding that the matters to which the Directors apply or upon which they may expend the same or any part thereof may be matters to or upon which the Capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special funds as the Directors think fit, and to employ the assets constituting all or any of the above funds, including the Depreciation Fund, in the business of the Company or in repayment or redemption or redeemable preference shares, debentures or debenture stock and that without being bound to</p>
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		<p>keep the same separate from other assets or to pay interest on the same, with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.</p> <p>To appoint Managers etc.  <b>(XXVII)</b> To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. the provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>To authorise by Power of Attorney  <b>(XXVIII)</b> At any time and from time to time by Power of Attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, Directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and any such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretions for the time being vested in them.</p> <p>To authorise, delegate  <b>(XXIX)</b> Subject to the provisions of the Act, generally and from time to time and at any time to authorise, empower or delegate to (with or without powers of Sub-delegation) any Director, Officer or Officers or Employee for the time being of the Company and/or any other person, firm or Company all or any of the powers, authorities and discretions for the time being vested in the Directors by these presents, subject to such restrictions and conditions, if any, as the Directors may think proper.</p> <p>To Negotiate  <b>(XXX)</b> To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company.</p>
XX		MANAGING DIRECTORS
	25.	<p>Power to appoint Managing or Wholetime Directors  <b>(a)</b> Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time any of its members as Managing Director or Managing Directors and/or Wholetime Directors and/or Special Directors like Technical Director, Financial Director, etc. of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director or Managing Directors/Wholetime Director(s), Technical Director(s) Financial Director(s) and Special Director(s) such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made</p>



		<p>exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>(W) The Directors may whenever they appoint more than one Managing Director, designate one or more of them as “Joint Managing Director” or “Joint Managing Directors” or “Deputy Managing Directors” as the case may be.</p> <p>Appointment and payment of remuneration to Managing or Wholetime Director</p> <p>(X) Subject to the provisions of Sections 198, 269, 309, 310 and 311 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>
XX		THE SECRETARY
	26.	<p>Secretary</p> <p>Subject to the provisions of Section 383A of the Act, the Directors may, from time to time, appoint and, at their discretion remove any individual (hereinafter called ‘the Secretary’) who shall have such qualifications as the authority under the Act may prescribe to perform any functions, which by the Act or these Articles are to be performed, by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Director. The Directors may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company.</p>
XX		SEAL
	27.	<p>The seal, its custody and use</p> <p>(a) The Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Directors shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by or under the authority of the Directors or a Committee of the Directors previously given, and in the presence of one Director at the least, who shall sign every instrument to which the Seal is so affixed in his presence.</p> <p>Seal abroad</p> <p>(y) The Company shall also be at liberty to have an official seal in accordance with Section 50 of the Act for use in any territory, district or place outside India and such powers shall accordingly be vested in the Directors.</p>
XX		INTEREST OUT OF CAPITAL
	28.	<p>Interest may be paid out of Capital</p> <p>Where any shares in the Company are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period and at the rate and subject to the conditions and restrictions provided by Section 208 of the Act, and may charge the same to capital as part of the cost of construction of the work or building, or the provisions of plant.</p>
XX		DIVIDENDS
	29.	<p>Division of Profits</p> <p>The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents shall be divisible among the members in proportion to the amount of Capital paid up or credited as paid up on the shares held by them respectively.</p>

	<p>Dividend payable to registered holder No dividend shall be paid by the Company in respect of any share except to the registered holder of such share or to his order or to his banker.</p> <p>Time for payment of dividend Where a dividend has been declared by the Company it shall be paid within the period provided in Section 207 of the Act.</p> <p>Capital paid up in advance and interest not to earn dividend Where the Capital is paid up in advance of calls upon the footing that the same shall carry interest, such Capital shall not, whilst carrying interest confer a right to dividend or to participate in profits.</p> <p>Dividends in proportion to amount paid up (a) The Company shall pay dividends in proportion to the amounts paid up or credited as paid up on each share, when a larger amount is paid up or credited as paid up on some shares than on others. Nothing in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.</p> <p>(z) Provided always that any Capital paid up on a share during the period in respect of which a dividend is declared, shall unless the terms of issue otherwise provide, only entitle the holder of such share to an apportioned amount of such dividend proportionate to the capital from time to time paid during such period on such share shall rank for dividend accordingly.</p> <p>Company in Annual General Meeting may declare dividends The Company in Annual general meeting may declare a dividend to be paid to the members according to their respective rights and interests in the profits and may fix the time for payment.</p> <p>Power of Directors to limit dividends No larger dividend shall be declared than is recommended by the Directors but the Company in general meeting may declare a smaller dividend.</p> <p>Dividends only to be paid out of profits No dividend shall be declared or paid by the Company otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or a State Government for the payment of dividend in pursuance of the guarantee given by that Government provided that:</p> <p>(a) If the Company has not provided for depreciation for any previous financial year or years, it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of that financial year or out of the profits of any other previous financial year or years;</p> <p>(b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.</p>
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Provided further that, no dividend shall be declared or paid for any financial year out of the profits of the Company for that year arrived at after providing for depreciation as above, except after the transfer to the reserves of the Company of such percentage of its profits for that year as may be prescribed in accordance with Section 205 of the Act or such higher percentage of its profits as may be allowed in accordance with that Section.

Nothing contained in this Article shall be deemed to affect in any manner the operation of Section 208 of the Act.

**Directors' declaration as to net profits conclusive**

The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.

**Interim Dividends**

The Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

**Retention of Dividend until completion of transfer under Article**

The Directors may retain the Dividends upon shares in respect of which any person is under the Transmission clause of these Articles entitled to become a member or which any person under that clause is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

No member to receive Dividend whilst indebted to the Company and Company's right to reimbursement there from

Subject to the provisions of the Act, no member shall be entitled to receive payment of any interest or dividend in respect of his share(s) whilst any money may be due or owing from him to the Company in respect of such share(s) or debenture(s) or otherwise however either alone or jointly with any other person or persons and the Directors may deduct from the interest or dividend payable to any member, all sums of moneys so due from him to the Company.

**Transferred shares must be registered**

A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

**Dividend how remitted**

Unless otherwise directed any dividend may be paid by cheque or warrant or a pay-slip or receipt having the force of a cheque or warrant sent through ordinary post to the registered address of the member or person entitled or in the case of joint holders to that one of them first named in the Register of Members in respect of the joint holding. Every such cheque or warrant so sent shall be made payable to the registered holder of shares or to his order or to his bankers. The Company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost, to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means.

**Unpaid Dividend or Dividend Warrant posted**

(a) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank as per section 205 A of the Act, and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

(b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government.

		<p>A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due.</p> <p>(C) No unpaid or unclaimed dividend shall be forfeited by the Board.</p> <p>Dividend and call together Any general meeting declaring a dividend may on the recommendation of the Directors make a call on the members for such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the Company and the members, be set off against the calls.</p> <p>Dividend to be payable in cash No dividend shall be payable except in cash. Provided that nothing in this Article shall be deemed to prohibit the capitalization of profit or reserves of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the Company.</p>
XX		CAPITALISATION
	30.	<p>Capitalization</p> <p>(a) Any general meeting may resolve that any amount standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys' investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other fund of the Company or in the hands of the Company and available for dividend may be capitalized. Any such amount (excepting the amount standing to the Share Premium Account and/or the Capital Redemption Reserve Account) may be capitalized :</p> <p>(i) by the issue and distribution as fully paid shares, debentures, debenture stock, bonds or obligations of the Company or</p> <p>(ii) by crediting the shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.</p> <p>Provided that any amounts standing to the credit of the Share Premium Account may be applied in;</p> <p>(1) paying up un-issued shares of the Company to be issued to members of the Company as fully paid bonus shares;</p> <p>(2) in writing off the preliminary expenses of the Company;</p> <p>(3) in writing off the expenses of, or the commission paid or discount allowed on any issue of shares or debentures of the Company; or</p> <p>(4) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company. Provided further that any amount standing to the credit of the Capital Redemption Reserve Account shall be applied only in paying up un-issued shares of the Company to be issued to the members of the Company as fully paid bonus shares.</p>

		<p>(b) Such issue and distribution under sub-clause (a) (i) above and such payment to the credit of unpaid share capital under sub-clause (a) (ii) above shall be made to, among and in favour of the members of any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under sub-clause (a) (i) or payment under sub-clause (a) (ii) above shall be made on the footing that such members become entitled thereto as capital.</p> <p>(c) The Directors shall give effect to any such resolution and apply portion of the Profits, General Reserve Fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture stock, bonds or other obligations of the Company so distributed under sub-clause (a)(i) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid-up under sub-clause (a)(ii) above provided that no such distribution or payment shall be made unless recommended by Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.</p> <p>(d) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates or coupons and fix value for distribution of any specific assets and may determine that such payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, fractional certificates or coupons, debentures, debenture stock, bonds, or other obligations in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares, debentures, debenture stock, bonds or other obligations and fractional certificates or coupons or otherwise as they may think fit.</p> <p>(e) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of fully paid shares and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment of diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively.</p> <p>When deemed requisite a proper contract shall be filed with the Registrar of Companies in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.</p>
XX		ACCOUNTS
	31.	<p>Accounts The provisions of Sections 209 to 222 of the Act shall be complied with in so far as the same be applicable to the Company.</p> <p>Books of Accounts to be kept (a) The Company shall keep at its Registered Office proper books of accounts as required by Section 209 of the Act with respect to:</p>

- (i) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;
- (ii) all sales and purchases of goods by the Company; and
- (iii) the assets and liabilities of the Company.

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide, the Company shall, within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

- (b) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarized returns made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its Registered Office or other place in India, as the Board thinks fit, where the said books of the Company are kept.

Books to give fair and true view of the Company's affairs

- (a) All the aforesaid books shall give a fair and true view of the affairs of the Company of its branch office, as the case may be with respect to the matters aforesaid, and explain the transactions.

- (aa) The books of account shall be open to inspection by any Director during business hours as provided by Section 209 of the Act.

- (bb) The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with the vouchers relevant to any entry in such books of accounts shall be preserved in good order.

Inspection by members

The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts, books and documents of the Company or any of them, shall be open to the inspection of the members, and no member (not being a Director) shall have any right of inspecting any account or books or documents of the Company except as conferred by statute or authorised by the Directors or by a resolution of the Company in general meeting.

Statements of Accounts to be furnished to General Meeting

The Board of Directors shall lay before each annual general meeting a Profit and Loss Account for the financial year of the Company and a Balance sheet made up as at the end of the financial year which shall be a date, which shall not precede the day of the meeting by more than six months or such extended period as shall have been granted by the Registrar of Companies under the provisions of the Act.

Balance Sheet and Profit and Loss Account

- (a) Subject to the provisions of Section 211 of the Act, every Balance Sheet and Profit and Loss Account of the Company shall be in the forms set out in parts I and II respectively of Schedule VI of the Act, or as near thereto as circumstances admit. There shall be annexed to every Balance Sheet a statement showing the bodies corporate (indicating separately the bodies corporate in the same group) in the shares of which investments have been made by it (including all investments, whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.

(b) So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 212 and other applicable provisions of the Act.

(c) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

Authentication of Balance Sheet and Profit & Loss Account

(a) (i) Save as provided by item (ii) of this sub-clause every Balance Sheet and every Profit and Loss Account of the Company shall be signed on behalf of the Board of Directors by the Manager or Secretary, if any, and by not less than two Directors of the Company, one of whom shall be a Managing Director, if any.

(ii) When only one of the Directors of the Company is for the time being in India, the Balance Sheet and the Profit and Loss Account shall be signed by such Director, but in such a case, there shall be attached to the Balance Sheet and the Profit and Loss Account a statement signed by him explaining the reason for non-compliance with the provisions of the above item (i).

(b) The Balance Sheet, and the Profit and Loss Account, shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submitted to the auditors for their report thereon.

Profit and Loss Account to be annexed and Auditors' Report to be attached to the Balance sheet  
The Profit and Loss Account shall be annexed to the Balance Sheet and the Auditors' Report including the Auditors' separate, special or supplementary report, if any, shall be attached thereto.

Board's Report to be attached to Balance Sheet

(a) Balance Sheet laid before the Company in general meeting shall have attached to it a Report by the Board of Directors with respect to the state of the Company's affairs; the amounts, if any which it proposes to carry to any reserves in such Balance Sheet, the amount, if any, which it recommends to be paid by way of dividends and material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and the date of the Report.

(d) The Report shall, so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occurred during the financial year in the nature of the Company's business, in the Company's subsidiaries or in the nature of the business in which the Company has an interest.

(cc) The Board shall also give the fullest information and explanations in its Report or in cases falling under the proviso to Section 222 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report.

(dd) The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorised shall be signed by such number of Directors as are required to sign the Balance Sheet and the Profit and Loss Account of the Company by virtue of sub-clauses (a) and (b) of Article 203.

		<p>(ee) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of sub-clauses (a) and (c) of this Article are complied with.</p> <p>(ff) Every Balance Sheet and Profit and Loss account of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards any matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by shareholders at a subsequent general meeting.</p> <p>Right of Members to copies of Balance Sheet and Auditor's Report A copy of every Balance Sheet (including the Profit and Loss Account, the Auditor's Report and every other document required by Law to be annexed or attached as the case may be, to the Balance Sheet) which is to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of twenty one days before of the meeting.</p> <p>Three copies of Balance Sheet etc. to be filed with Registrar After the Balance Sheet and Profit and Loss Account have been laid before the Company at the annual general meeting, three copies of the Balance Sheet and Profit and Loss Account duly signed as provided under Section 220 of the Act together with three copies of all documents, which are required to be annexed thereto shall be filed with the Registrar, so far as the same be applicable to the Company.</p>
XX		AUDIT
	32.	<p>Accounts to be audited Every Balance Sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.</p> <p>Appointment and qualifications of auditors</p> <p>(a) The Company at the annual general meeting each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting, and shall within seven days of the appointment, give intimation thereof to every auditor so appointed.</p> <p>(b) At any annual general meeting, a retiring Auditor, by whatever authority appointed, shall be reappointed unless:</p> <p>(i) he is not qualified for reappointment;</p> <p>(ii) he has given the Company notice in writing of his unwillingness to be reappointed;</p> <p>(iii) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed, or</p> <p>(iv) where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with.</p> <p>(c) Where at an annual general meeting no auditors are appointed or reappointed, the Central Government may appoint a person to fill the vacancy.</p>



- (d) The Company shall, within seven days of the Central Government's power under sub-clause (c) becoming exercisable give notice of that fact to the Government.
- (e) The Directors may fill any casual vacancy in the office of Auditor, but while any such vacancy continues the serving or continuing Auditor or Auditors (if any) may act, but where such vacancy be caused by the resignation of an auditor, the vacancy shall only be filled by the Company in general meeting.
- (f) A person, other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless special notice of the Resolution for appointment of that person to the office of Auditor has been given by a member to the Company not less than fourteen days before the meeting in accordance with Section 190 of the Act, and the company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with Section 190 of the Act, and the provisions of Section 225 of the Act shall apply in the matter. The provision of this subclause shall also apply to a Resolution that a retiring Auditor shall not be re- appointed.
- (g) The persons qualified for appointment as Auditors shall be only those referred to in Section 226 of the Act.

None of the persons mentioned in Section 226 of the Act as being not qualified fo appointment as Auditors shall be appointed of the Company.

#### Audit of Branch Office

The Company shall comply with the provisions of Section 228 of the Act in relation to the audit of the accounts of branch offices of the Company except to the extent to which any exemption may be granted by the Central Government, in that behalf.

#### Remuneration of Auditors

The remuneration of the Auditors shall be fixed by the Company in general meeting in such manner as the Company may in general meeting determine except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Directors.

#### Auditor to have access to the books of the Company

- (a) The Auditor/s of the Company shall have a right of access at all times to the books and vouchers of the Company and shall be entitled to require from the Directors and Officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor/s.

- (h) All notices of, and other communications relating to, any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditors of the Company; and the Auditor/s shall be entitled to attend any general meeting and to be heard at any general meeting which he attends to any part of the business which concerns him as Auditor.

- (i) The Auditors shall make a Report to the members of the Company on the accounts examined by him and on every Balance Sheet and Profit and Loss Account and on every other document declared by the Act to be part of or annexed to the Balance Sheet or Profit and Loss Account, which are laid before the Company in annual general meeting during his tenure of office, and the Report shall state whether, in his opinion and to the best of

		<p>his information and according to the explanation given to him, the accounts give the information required by the Act in the manner so required and give a true and fair view :</p> <p>(i) in the case of the Balance Sheet, of the state of the Company's affairs as at the end of its financial year: and</p> <p>(ii) in the case of the Profit and Loss Account, of the Profit and Loss for that financial year.</p> <p>(j) The Auditor's Report shall also state:</p> <p>(i) whether he has obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;</p> <p>(ii) whether, in his opinion, proper books of accounts as required by law have been kept by the Company so far as appears from his examination of those books and proper returns adequate for the purpose of his audit have been received from branches not visited by him;</p> <p>(iii) whether the report on the accounts of any branch office audited under Section 228 by a person other than the Company auditor has been forwarded to him as required by clause (c) subsection (3) of the Section and how he has dealt with the same in preparing the Auditor's Report;</p> <p>(iv) whether the Company's Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account and returns.</p> <p>(k) Where any of the matters referred to in this Article is answered in the negative or with a qualification the Auditor's Report shall state the reasons for the answer.</p> <p>Accounts when audited and approved to be conclusive except as to errors discovered within three months Every account when audited and approved by a general meeting shall be conclusive except as regards any error therein discovered within three months next after the approval thereof. Whenever any such error is discovered within the said period, the accounts shall forthwith be corrected and thenceforth shall be conclusive.</p>
XX		DOCUMENTS AND NOTICES
	33.	<p>Service of Notice by member A notice may be served on the Company or an Officer thereof by sending it to the Company or Officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office. The term 'Notice' in this and the following clauses shall summons, notice, requisition, order, judgment or other legal papers and any document.</p> <p>Service of Notice on Registrar A notice may be served on the Registrar by sending it to him at his office by post under a certificate of posting or by registered post, or by delivering it to, or leaving it for him at him at his office.</p>

	<p>Service of Notice on member by the Company</p> <p>(a) A notice may be served by the Company on any member either personally or by sending it by post to him to his registered address or if he has no registered address in India to the address, if any, within India supplied by him to the Company for giving Notice to him.</p> <p>(b) Where a Notice is sent by post:</p> <p>(i) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document, provided that, where a member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due, and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document shall not be deemed to be effected unless it is sent in the manner intimated by the member; and</p> <p>(ii) Such service shall be deemed to have been effected;</p> <p>(1) in the case of a Notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted, and</p> <p>(2) in any other case, at the time at which the letter would be delivered in the ordinary course of post.</p> <p>By Advertisement</p> <p>(c) A Notice advertised in a newspaper circulating in neighborhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of Notices to him.</p> <p>On Joint holder</p> <p>(d) Any Notice may be served by the Company on the Joint-holders of a share/debenture by serving it on the joint holder named first in the Register of members/debenture holders in respect of the share/debenture.</p> <p>On personal Representative</p> <p>(e) A Notice may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title representatives of the deceased or assignees of the insolvent or by any like description, at the address, if any in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by serving the document in any manner in which it might have been served if the death or insolvency had not occurred.</p> <p>Notice by Company and signatures thereto</p> <p>Any Notice given by the Company shall be signed by a Director, or by such Officer as the Directors may appoint and the signatures thereto may be written printed or lithographed.</p> <p>Authentication of documents and proceedings</p> <p>Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by the Director, the Managing Director, the Manager, the Secretary or other authorised Officer of the Company and need not be under its Common Seal.</p>
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XX		WINDING UP
	34.	<p>Distribution of Assets</p> <p>(a) Subject to the provisions of the Act, if the company shall be wound up and the assets available for distribution among the members as such shall be less than sufficient to repay the whole of the paid up capital such assets shall be distributed so that, as nearly, as may be, the losses shall be borne by the members in proportion to the Capital paid up, or which ought to have been paid up, at the commencement of winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the members shall be more than sufficient to repay the whole of the Capital paid up at the commencement of the winding up the excess shall be distributed amongst the members in proportion to the Capital paid-up at the commencement of the winding up or which ought to have been paid up on the shares held by them respectively.</p> <p>(gg) But this clause will not prejudice the rights of the holders of shares issued upon special terms and conditions.</p> <p>Subject to the provisions of the Act.</p> <p>Distribution in specie of kind</p> <p>(a) If the Company shall be wound up whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution and any other sanction required by the Act, divide amongst the contributories, in specie or kind the whole or any part of the assets of the Company, and may, with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the liquidators with the like sanction shall think fit.</p> <p>(b) If thought expedient, any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Association) and in particular any class may be given (subject to the provisions of the Act) preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined or any contributory who would be prejudiced thereby shall have the right, if any, to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 494 of the Act.</p> <p>(c) in case any shares to be divided as aforesaid involved a liability to calls or otherwise, any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution, by notice in writing direct the liquidators to sell his proportion and pay him the net proceeds and the liquidators shall, if practicable act accordingly.</p> <p>Rights of shareholders in case of sale  Subject to the provisions of the Act, a special resolution sanctioning a sale to any other Company duly passed may, in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidators by distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent, if any, if such right be given by the Act.</p> <p>SECURITY CLAUSE</p> <p>(a) to require discovery of or any information respecting any detail of the Company's trading, Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer,</p>

		<p>Servant, Agent, Accountant or other person employed in the business of the Company shall if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p> <p>(hh) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or or matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.</p>
XX		INDEMNITY AND RESPONSIBILITY
	35.	<p>Directors and others rights to indemnity</p> <p>(a) Subject to the provisions of Section 201 of the Act, every Director, Managing Director, Wholetime Director, Manager, Secretary and other Officer or employee of the Company shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, losses and expenses (including traveling expense) which such Director, Manager, Secretary and officer or employee may incur or become liable to by reason of any contract entered into or act deed done by him as such Director, Manager, Secretary, Officer or Servant or in any way in the discharge of his duties including expenses and the amount for which such indemnity is provided, shall immediately attach as lien on the property of the Company and have priority between the members over all other claims.</p> <p>(ii) Subject as aforesaid, every Director, Managing Director, Manager, Secretary or other officer and employee of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act which relief is given to him by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.</p> <p>Directors and other officers not responsible for the acts of others  Subject to the provisions of Section 201 of the Act, no Director, Managing Director, Wholetime Director or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults Director or other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of or redeemable preference shares, debentures or debenture stock and that without being bound to keep the same separate from other assets or to pay interest on the same; with power, however to the Directors at their discretion, to pay or allow to the credit of such fund interest at such rate as the Directors may think proper.</p> <p><b>SOCIAL OBJECTIVE</b>  The Company shall have among its objectives the promotion and growth of the national economy through increased productivity, effective utilisation of material and manpower resources and continued application of modern scientific and managerial techniques in keeping with the national aspirations, and the Company shall be mindful of its social and moral responsibilities to the consumers, employees, shareholders, society and the local community.</p>

		<p><b>GENERAL POWER</b></p> <p>Wherever in the Companies 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 if so authorised by its Articles, then and in that case these regulations hereby authorise and empower the Company to have such rights, privilege or authority and to carry such transactions as have been permitted by the Act.</p>
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## SECTION XII- OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our company or contracts entered into more than two (2) years before the date of filing of this Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus, will be delivered to the ROC for registration/submission of the Prospectus/Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Survey No.63/2, Plot No. 2, Rajkot-Gondal Highway, At: Pipaliya, Tal: Gondal, Dist: Rajkot, Pipaliya, Gujarat, India, 360311 from the date of filing the Prospectus with ROC on all Working Days until the Issue Closing Date. Copies of below mentioned Material Contracts and Documents are also available on the website of the company on [www.tixnatools.com](http://www.tixnatools.com)

#### A. MATERIAL CONTRACTS

1. Memorandum of understanding dated January 20, 2025 executed between our Company and Book Running Lead Manager to the Issue.
2. Registrar and Transfer Agent Agreement dated January 23, 2025 executed between our Company and the Registrar to the Issue.
3. Market Making Agreement dated [●] executed between our Company, Book Running Lead Manager and Market Maker to the Issue.
4. Banker to the Issue Agreement dated [●], executed between our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●] executed between our Company, Book Running Lead Manager, and Underwriter.
6. Syndicate Agreement dated [●] executed between our Company, Book Running Lead Manager and Syndicate Member.
7. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated October 28, 2024.
8. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated May 22, 2020.

#### B. MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Board Resolution dated November 16, 2024 and Special Resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the EGM by the shareholders of our Company held on December 19, 2024.
3. Statement of Tax Benefits dated January 3, 2025 issued by our peer review Auditors M/s. V S S B & Associates., Chartered Accountants.
4. Copy of Restated Financial Statement and along with Report from the peer review certified auditor M/s. V S S B & Associates., Chartered Accountants for the financial year ended on March 31, 2024, 2023 and 2022 dated December 12, 2024 included in this Draft Prospectus.
5. Copy of Audited Financial Statement for the year ended on March 2024, 2023 and 2022.

6. Copy of Certificate from M/s. V S S B & Associates, Chartered Accountants dated January 24, 2025 regarding the source and deployment towards the objects of the Offer.
7. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, the Book Running Lead Manager to the Issue, Registrar to the Issue, Banker to the Issue\*, Market Maker\*, Syndicate Member\* and Underwriter to the Issue\* to act in their respective capacities to be obtained prior filing of Prospectus.
8. Due Diligence Certificate from Book Running Lead Manager dated [●], 2024 addressing SEBI and BSE.
9. Copy of In-principle approval letter dated [●] from the BSE.
10. Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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## DECLARATION

We, hereby declares that, all the relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case maybe. We further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

<i>SD/-</i> <b>Vipulbhai Laljibhai Ghonia</b> Managing Director <b>DIN: 06511100</b>	<i>SD/-</i> <b>Kamalbhai Laljibhai Ghonia</b> Whole-Time Directors <b>DIN: 06511096</b>
<i>SD/-</i> <b>Kiranben Vipulbhai Ghonia</b> Non-Executive Director <b>DIN: 10685826</b>	<i>SD/-</i> <b>Shyam Bhadresh Kapadia</b> Non-Executive Independent Director <b>DIN: 10672090</b>
<i>SD/-</i> <b>Grishma A Shewale</b> Non-Executive Independent Director <b>DIN: 10767960</b>	<i>SD/-</i> <b>Chand Rameshbhai Kanabar</b> Non-Executive Independent Director <b>DIN: 10706050</b>

### SIGNED BY THE CFO AND CS OF OUR COMPANY

<i>SD/-</i> <b>Abhishek Dobaria Arvindbhai</b> Chief Financial Officer	<i>SD/-</i> <b>Sneha Dhaval Shah</b> Company Secretary and Compliance Officer
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**Place:** Rajkot

**Date:** January 31, 2025