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**DRAFT RED HERRING PROSPECTUS**

Dated: June 25, 2024

Please read Section 26 and 32 of the

Companies Act, 2013

(This Draft Red Herring Prospectus will be

updated upon filing with the RoC)

100% Book Built Offer

**SAHASRA ELECTRONIC SOLUTIONS LIMITED**

CIN: U26202DL2023PLC410521

Registered Office	Corporate Office	Contact Person	Email and Telephone	Website
33, Pocket 1, Jasola Vihar New Friends Colony, South Delhi-110025, New Delhi, India	68-AA Noida Special Economic Zone, Nepz Post Office, Gautam Buddha Nagar, Noida-201305, Uttar Pradesh, India	Neha Tahir Company Secretary & Compliance Officer	<b>E-mail:</b> <a href="mailto:cs@sahasraelectronics.com">cs@sahasraelectronics.com</a> <b>Tel No:</b> +91-120-4202604	<a href="http://www.seslimited.in">www.seslimited.in</a>

<b>Promoters of the Company</b>	Amrit Lal Manwani, Arunima Manwani & Varun Manwani
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DETAILS OF THE OFFER				
Type	Fresh Issue Size (in ₹ lakhs)	OFS Size (by no. of Shares or by amount in ₹)	Total Offer Size (in ₹ lakhs)	Eligibility
Fresh Issue & OFS	up to 60,78,000 Equity Shares aggregating up to ₹ [●] lakhs	up to 5,00,000 Equity Shares aggregating up to ₹ [●] lakhs	up to 65,78,000 Equity Shares aggregating up to ₹ [●] lakhs	This Offer is being made in terms of chapter IX of the SEBI (ICDR) Regulations, 2018 as amended. For details in relation to share reservation among QIB's, NII's and RIB's, see "Offer Structure" on page 255 of this Draft Red Herring Prospectus.

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDER AND THEIR AVERAGE COST OF ACQUISITION-** For further details see "Other Regulatory and Statutory Disclosures" on page 237 of this Draft Red Herring Prospectus.

Name of Selling Shareholder	Category of Shareholder	No. of Equity Shares Offered/ amount (in ₹ lakhs)	Weighted average cost of Acquisition (in ₹ per Equity Share)
Amrit Lal Manwani	Promoter Selling Shareholder	Up to 5,00,000 Equity Shares aggregating to ₹ [●] lakhs	10.00

**RISK IN RELATION TO THE FIRST OFFER**

The face value of the Equity Shares is ₹10. The Floor Price, Cap Price and Offer Price determined by our Company and selling shareholder, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" on page 78 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 Offer 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares Offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 25 of this Draft Red Herring Prospectus.

**ISSUER & SELLING SHAREHOLDER ABSOLUTE RESPONSIBILITY**

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholder assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Selling Shareholder, in this Draft Red Herring Prospectus.

**LISTING**

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of NSE ("NSE Emerge"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

**BOOK RUNNING LEAD MANAGER TO THE OFFER**

Name and Logo	Contact Person	Email & Telephone
HEM SECURITIES LIMITED	Sourabh Garg	<b>Email:</b> <a href="mailto:jb@hemsecurities.com">jb@hemsecurities.com</a> <b>Tel. No.:</b> +91-22-49060000

**REGISTRAR TO THE OFFER**

Name and Logo	Contact Person	Email & Telephone
BIGSHARE SERVICES PRIVATE LIMITED	Vinayak Morbale	<b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Telephone:</b> +91-22-62638200;

**BID/OFFER PERIOD**

<b>ANCHOR PORTION OFFER OPENS/ CLOSSES ON*:</b> [●]	<b>BID/ OFFER OPENS ON:</b> [●]	<b>BID/ OFFER CLOSSES ON**:</b> [●]***
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\*Our Company and the Selling Shareholder in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*Our Company and the Selling Shareholder, in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI (ICDR) Regulations.

\*\*\*The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.



## SAHASRA ELECTRONIC SOLUTIONS LIMITED

CIN: U26202DL2023PLC410521

Our Company was incorporated as Limited Company in the name of "Sahasra Electronic Solutions Limited" under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated February 22, 2023 issued by Registrar of Companies, Central Registration Centre bearing Corporate Identity Number U26202DL2023PLC410521. At the time of incorporation our company has taken over the running business of proprietorship concern of the promoter Amrit Lal Manwani, namely M/s Sahasra Electronic Solutions along with the assets and liabilities of the proprietorship concern as going concern. For further details of our Company, please refer to chapter titled "History and Corporate Structure" beginning on page 119 of this Draft Red Herring Prospectus.

**Registered Office:** 33, Pocket 1, Jasola Vihar New Friends Colony, South Delhi-110025, New Delhi, India.

**Corporate Office:** 68-AA Noida Special Economic Zone, Nepz Post Office, Gautam Buddha Nagar, Noida-201305, Uttar Pradesh, India.

**Tel No:** +91-120-4202604; **E-mail:** [cs@sahasraelectronics.com](mailto:cs@sahasraelectronics.com); **Website:** [www.seslimited.in](http://www.seslimited.in)

**Contact Person:** Neha Tahir, Company Secretary & Compliance Officer

**Promoters of our Company:** Amrit Lal Manwani, Arunima Manwani & Varun Manwani

## DETAILS OF THE OFFER

INITIAL PUBLIC OFFER OF UPTO 65,78,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF SAHASRA ELECTRONIC SOLUTIONS LIMITED ("OUR COMPANY" OR "SESL" OR "THE OFFER") AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC OFFER") COMPRISING OF A FRESH ISSUE OF UPTO 60,78,000 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 5,00,000 EQUITY SHARES BY THE SELLING SHAREHOLDER ("OFFER FOR SALE") AGGREGATING TO ₹ [●] LAKHS COMPRISING BY AMRIT LAL MANWANI; OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE OFFER (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC OFFER LESS MARKET MAKER RESERVATION PORTION I.E. OFFER OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN OFFER PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET OFFER". THE PUBLIC OFFER AND NET OFFER WILL CONSTITUTE 26.32% AND [●]% RESPECTIVELY OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND DELHI EDITION OF [●], A HINDI REGIONAL NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF DELHI WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the Book Running Lead Managers, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company and Selling Shareholder, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI (ICDR) Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" beginning on page 258 of this Draft Red Herring Prospectus.

## ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Offer Procedure" beginning on page 258 of this Draft Red Herring Prospectus.

## RISK IN RELATION TO THE FIRST OFFER

The face value of the Equity Shares is ₹ 10/-. The Floor Price, Cap Price and Offer Price determined by our Company and selling shareholder, in consultation with the Book Running Lead Managers, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "Basis for Offer Price" on page 78 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 Offer 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 Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer including the risks involved. The Equity Shares Offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 25 of this Draft Red Herring Prospectus.

## ISSUER &amp; SELLING SHAREHOLDER ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, each of the Selling Shareholder, severally and not jointly, accepts responsibility for only such statements specifically confirmed or specifically undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements specifically pertain to itself and/or its Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. However, none of the Selling Shareholder assume any responsibility for any other statements, disclosures or undertakings, including without limitation, any and all of the statements, disclosures or undertakings made by or in relation to our Company, its business, or any other Selling Shareholder, in this Draft Red Herring Prospectus.

## LISTING

The Equity Shares Issued through Red Herring Prospectus are proposed to be listed on the SME Platform of NSE ("NSE Emerge"). In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time, our Company has received "in-principle" approval letter dated [●] from National Stock Exchange of India Limited ("NSE") for using its name in the Offer Document for listing of our shares on the SME Platform of NSE ("NSE Emerge"). For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").

## BOOK RUNNING LEAD MANAGER TO THE OFFER



## HEM SECURITIES LIMITED

904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India

**Tel. No.:** +91- 022- 49060000;

**Fax No.:** +91- 022- 22625991

**Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com)

**Investor Grievance Email:** [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)

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

**Contact Person:** Sourabh Garg

**SEBI Regn. No.** INM000010981

## REGISTRAR TO THE OFFER



## BIGSHARE SERVICES PRIVATE LIMITED

**Address:** S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, Maharashtra India.

**Telephone:** +91 22 6263 8200;

**Facsimile:** +91 22 6263 8299

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

**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

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

**Contact Person:** Vinayak Morbale

**SEBI Registration Number:** INR000001385

## BID/ OFFER PERIOD

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

**BID/ OFFER OPENS ON\*\*:** [●]

**BID/ OFFER CLOSES ON\*\*\*:** [●]\*\*\*

\*Our Company and the Selling Shareholder in consultation with the BRLM, may consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.

\*\*Our Company and the Selling Shareholder, in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI (ICDR) Regulations.

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**SECTION I – GENERAL****DEFINITIONS AND ABBREVIATIONS**

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies shall be to such legislations, acts, regulations, rules, guidelines, circulars, notifications, clarifications, directions, or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.*

*The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI (ICDR) Regulations, the SEBI Act, the Companies Act, the SCRA, the Depositories Act and the rules and regulations notified thereunder, as applicable.*

*Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 84, 142 and 285 respectively, shall have the meaning ascribed to such terms in such sections.*

**General Terms**

<b>Terms</b>	<b>Description</b>
“Issuer”, “the Company”, “Our Company” “SESL” and “Sahasra Electronic Solutions Limited”	Sahasra Electronic Solutions Limited, a Company incorporated in India under the Companies Act, 2013, having its Registered office at 33, Pocket 1, Jasola Vihar New Friends Colony, South Delhi-110025, New Delhi, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies refers to our Company, together with our Subsidiary.
“you”, “your” or “yours”	Prospective investors in this Offer.

**Company related and Conventional terms**

<b>Term</b>	<b>Description</b>
AOA/ Articles/ Articles of Association	Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as described in the chapter titled “ <b>Our Management</b> ” beginning on page 125 of this Draft Red Herring Prospectus.
Auditor/ Statutory Auditor	The Statutory Auditor of our Company being M/s. Kapoor Tandon & Co. (FRN: 000952C)
Bankers to our Company	Citi Bank N.A.
Board of Directors/ the Board/ our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <b>Our Management</b> ” beginning on page 125 of this Draft Red Herring Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Maneesh Tiwari.
CIN	Corporate Identification Number being U26202DL2023PLC410521.
Companies Act/ Act	The Companies Act, 2013 and amendments thereto.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Neha Tahir (M. No.: A46571).
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Board, constituted in accordance with the Section 135 of the Companies Act and as described in the chapter titled “ <b>Our Management</b> ” beginning on page 125 of this Draft Red Herring Prospectus
Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified. For details of our directors, see “ <b>Our Management</b> ” on page 125 of this Draft Red Herring Prospectus
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996.
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of the Company of face value of ₹ 10/- each unless otherwise specified in the

Term	Description
	context thereof.
Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
IBC	The Insolvency and Bankruptcy Code, 2016
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the SEBI (LODR) Regulations. For details of our Independent Directors, see <b>“Our Management”</b> on page 125 of this Draft Red Herring Prospectus.
ISIN	International Securities Identification Number. In this case being INE0RBQ01018.
IT Act	The Income Tax Act, 1961 as amended till date.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013. For details, see section titled <b>“Our Management”</b> on page 125 of this Draft Red Herring Prospectus.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of our Company as amended from time to time.
CMD or Chairman & Managing Director	The Chairman & Managing Director of our Company, Amrit Lal Manwani.
Materiality Policy	The policy adopted by our Board on May 23, 2024 for identification of Group Companies, material outstanding litigation and material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of Directors constituted as the Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI (LODR) Regulations and Section 178 of the Companies Act, 2013 as described in the chapter titled <b>“Our Management”</b> beginning on page 125 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director. For details of our Non-Executive Directors, see <b>“Our Management”</b> on page 125 of this Draft Red Herring Prospectus
NRI/ Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Non-debt instruments) Rules, 2019
Person or Persons	Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership, Limited Liability Company, Joint Venture, or Trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Proforma Financial Statements	Proforma financial statements of our Company as at and for the year ended March 31, 2024 and prepared to reflect the impact of a material Investment made by us in our Subsidiary Company, Sahasra Semiconductors Private Limited which was made after the date of latest restated financial statements i.e. after March 31, 2024. The Proforma financial statements reflect the results of operations as if acquisition had taken place on April 01, 2023. For further details, please refer to section titled <b>“Proforma Financial Statements”</b> beginning on page 205 of this Draft Red Herring Prospectus
Promoter(s)	Shall mean promoters of our Company i.e. Amrit Lal Manwani, Arunima Manwani & Varun Manwani. For further details, please refer to section titled <b>“Our Promoters &amp; Promoter Group”</b> beginning on page 137 of this Draft Red Herring Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section <b>“Our Promoters &amp; Promoter Group”</b> beginning on page 137 of this Draft Red Herring Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at 33, Pocket 1, Jasola Vihar New Friends Colony, South Delhi-110025, New Delhi, India.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The Restated Financial statements comprising of the Restated Statement of Assets and Liabilities as at March 31 2024 & March 31 2023 of our Company & as at February 21, 2023 & March 31 2022 of our erstwhile proprietorship ( <i>Sahasra Electronic Solutions</i> ), and the Restated Statements of Profit and Loss and Cash Flows for the Fiscals ended March 31 2024 & period February 22, 2023 to March 31 2023 of our Company and for the period/ year ended February 21, 2023 & March 31 2022 of our erstwhile proprietorship ( <i>Sahasra Electronic Solutions</i> ) prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Registrar of Companies, Delhi, 4 <sup>th</sup> Floor, IFCI Tower 61, Nehru Place, New Delhi 110019, India.

Term	Description
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing obligations and disclosure requirements) regulations 2015 as described in the chapter titled " <b>Our Management</b> " beginning on page 125 of this Draft Red Herring Prospectus
Selling shareholder	Shall mean Selling shareholder of our Company i.e. Amrit Lal Manwani. For further details, please refer to section titled " <b>Our Promoters &amp; Promoter Group</b> " beginning on page 137 of this Draft Red Herring Prospectus.
Shareholders	Shareholders of our Company from time to time.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subsidiary	Subsidiary of our Company as set out in " <b>Our Subsidiary</b> " on page 123 of this Draft Red Herring Prospectus.
Subscriber to MOA	Initial Subscribers to MOA being Amrit Lal Manwani, Arunima Manwani, Varun Manwani, Varsha B P Manwani, Akshay Manwani, Narayan Belbase and Pintu Naskar.

### Offer Related Terms

Terms	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Bidders.
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allotment/ Allot/ Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Offer to the successful bidders.
Allottee (s)	A successful bidder to whom the Equity Shares are allotted.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/ Offer Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/ Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the Book Running Lead Managers
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI (ICDR) Regulations.
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI (ICDR) Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism.
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism.
ASBA Application Location(s)/ Specified Cities	Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata and Ahmedabad.
ASBA Bidder	Any prospective investor(s) / Bidder (s) in this Offer who apply(ies) through the ASBA process

Terms	Description
	except Anchor Investor.
ASBA Form/ Bid cum Application	An application form (with or without UPI ID, as applicable), whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus or the Prospectus.
Banker to the Offer Agreement	Agreement dated [●] entered into amongst the Company, the selling shareholder, Book Running Lead Manager, the Registrar, Sponsor Bank and the Banker to the Offer.
Bankers to the Offer/ Public Offer Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Offer and with whom the Public Offer Account will be opened, in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful bidders under the Offer and which is described in the chapter titled “Offer Procedure” beginning on page 258 of this Draft Red Herring Prospectus.
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Offer.
Bid Lot	[●] equity shares and in multiples of [●] equity shares thereafter.
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Delhi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Offer closing Date also to be notified on the website and terminals of the Syndicate, SCSB’s and Sponsor Bank, as required under the SEBI ICDR Regulations.
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Delhi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Offer Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations.
Bid/ Offer Period	Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date or the QIB Bid/ Offer Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Offer Period shall be kept open for a minimum of three Working Days for all categories of Bidders.
Bidding	The process of making a Bid.
Bidding/ Collection Centers	Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs.
Book Building Process/ Book Building Method	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Offer in this case being Hem Securities Limited, SEBI Registered Category-I Merchant Banker.
Broker Centers	Broker Centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Bidder indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the price band above which the Offer Price will not be finalized and above which no Bids (or a revision thereof) will be accepted.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account
Collecting Depository	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and

<b>Terms</b>	<b>Description</b>
Participants or CDPs	who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agent	Registrar to an Offer and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/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 BRLM, the Registrar to the Offer and the Stock Exchange.
Cut Off Price	The Offer Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The demographic details of the Bidders such as their Address, PAN, name of the Bidders father/husband, investor status, occupation and Bank Account details.
Depositor/ Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Designated CDP Locations	Such locations of the CDPs where Bidder can submit the Bid-Cum-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 Bid-Cum-Application Forms are available on the website of the Stock Exchange i.e. www.nseindia.com
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as applicable, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer.
Designated Intermediaries/ Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Offer and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity).
Designated Market Maker	[•]
Designated RTA Locations	Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e. www.nseindia.com
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid-Cum-Application Form from the Bidder 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> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	National Stock Exchange of India Limited (NSE Emerge i.e. SME platform of NSE)
DP ID	Depository Participant's Identity Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
Draft Red Herring Prospectus	Draft Red Herring Prospectus dated June 25, 2024 issued in accordance with Sections 26 & 32 of the Companies Act, 2013
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First Bidder/ Applicant/Bidders	Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer



Terms	Description
	Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any Offer related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	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 issued by SEBI, suitably modified and updated pursuant to the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 and the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE (SME platform). In our case, [●] is the sole Market Maker
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of ₹10 each at an Offer price of ₹ [●] each is aggregating to ₹ [●] Lakhs to be subscribed by Market Maker in this Offer.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker, [●].
Monitoring Agency	[●]
Monitoring Agency Agreement	The agreement to be entered into between our Company and the Monitoring Agency dated [●].
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Offer	The Offer (excluding the Market Maker Reservation Portion) of [●] equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the "Offer Price"), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs.
Net Proceeds	The Offer Proceeds received from the fresh issue excluding Offer related expenses. For further information on the use of Offer Proceeds and Offer expenses, please refer to the section titled " <i>Objects of the Offer</i> " beginning on page 66 of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Non – Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non- Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Non-Institutional Bidders	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price.
Offer Agreement	The Offer Agreement dated May 31, 2024 between our Company, Selling Shareholder and Book Running Lead Manager.
Offer Price	The final price at which the Equity shares will be allotted in terms of the Red Herring Prospectus and the Prospectus, as determined by our company in consultation with BRLM on the Pricing date in accordance with the Book Building process and the Red Herring Prospectus.
Offer Proceeds	Proceeds to be raised by our Company through this Offer, for further details please refer chapter titled " <i>Objects of the Offer</i> " beginning on page 66 of this Draft Red Herring Prospectus
Offer/ Public Offer/ Offer size/ Initial Public Offer/ Offer/	The Initial Public Offer of upto 65,78,000 Equity shares of ₹ 10/- each at Offer price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs

<b>Terms</b>	<b>Description</b>
Initial Public Offering/ IPO/	comprising of a Fresh Issue of 60,78,000 Equity Shares and the Offer for Sale of 5,00,000 Equity Shares by Selling Shareholder.
Offered Shares	Offer of upto 5,00,000 Equity shares aggregating to ₹ [●] lakhs being offered for sale by the selling shareholder in the offer
Other Investor	Investors other than Retail Individual Investors. These include individual Bidders other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Offer.
Pay-in-Period	The period commencing on the Bid/Offer Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Offer Opening Date.
Pricing Date	The date on which our Company in consultation with the BRLM, will finalize the Offer Price.
Prospectus	The Prospectus, to be filed with the Registrar of Companies in accordance with the provisions of Sections 26 & 32 of the Companies Act, 2013, containing, inter alia, the Offer Price, size of the Offer and certain other information.
Public Offer Account	Account to be opened with the Bankers to the Offer to receive monies from the ASBA Accounts and from the Escrow Accounts in case of Anchor Investor(s), on the Designated Date.
QIB Category/ QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors).
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI (ICDR) Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
Refund Account(s)	Accounts to which the monies to be refunded to the Bidders is transferred from the Public Offer Account in case listing of the Equity Shares does not occur.
Refund Bank/ Refund Banker	Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Offer at which the Refund Account will be opened, in this case being [●].
Refund through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members" (except Syndicate/Sub-Syndicate Members) who hold valid membership either NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on the website of the Stock Exchange.
Registrar Agreement	The agreement dated June 10, 2024 entered into among our Company, selling shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.

Terms	Description
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 issued by SEBI.
Registrar/ Registrar to the Offer/ RTA/ RTI	Registrar to the Offer, in this case being Bigshare Services Private Limited.
Regulation S	Regulation S under the U.S. Securities Act of 1933, as amended from time to time.
Regulations	SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2018 as amended from time to time.
Reservation Portion	The portion of the Offer reserved for category of eligible Bidders as provided under the SEBI (ICDR) Regulations, 2018.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Retail Individual Bidders/ RIBs/ Retail Individual Investors/ RIIs	Individual Bidders, submitting Bids, who have Bid for Equity Shares for an amount not more than ₹ 2,00,000/- in any of the bidding options in the Net Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid Cum Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI (Foreign Portfolio Investor) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (PFUTP) Regulations /PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act/ SEBI	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/ Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI SAST / SEBI (SAST) Regulations/ SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.
Securities laws	Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board.
Self-Certified Syndicate Bank(s) / SCSB(s)	Shall mean a Banker to an Offer registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?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.
Selling Shareholder	Shall mean Selling Shareholder of our Company i.e. Amrit Lal Manwani. For further details, please refer to section titled “ <b>Our Promoters &amp; Promoter Group</b> ” beginning on page 137 of this Draft Red Herring Prospectus
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely [●]
Share Escrow Agreement	The agreement dated [●], entered into between our Company, the Selling Shareholder and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment.
SME Exchange	SME Platform of the National Stock Exchange of India Limited i.e. “ <b>NSE Emerge</b> ”
Specified Securities	Equity shares offered through this Draft Red Herring Prospectus.

Terms	Description
Sponsor Bank	Sponsor Bank means a Banker to the Offer registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Retail Investors into the UPI.
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Offer.
Syndicate	Includes the BRLM, Syndicate Members and Sub Syndicate Members.
Syndicate Agreement	The agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Offer.
Syndicate ASBA Bidding Locations	Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●].
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Bidder as proof of registration of the Application.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Underwriter	The BRLM who has underwritten this Offer pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement [●] entered between the Underwriter, BRLM and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022. and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI)
UPI ID Linked Bank Account	Account of the RIIs, applying in the Offer 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 notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI Mechanism	The mechanism that was used by an RIB to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues
UPI PIN	Password to authenticate UPI transaction
Venture Capital Fund/VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s) or a fraudulent borrower	Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose director or promoter is categorised as such and as defined under Regulation 2(1)(III) of the SEBI (ICDR) Regulations, 2018.
Working Day	In accordance with Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and

Terms	Description
	(b) offer period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business;
	(c) the time period between the Offer Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

### Technical and Industry Related Terms

Term	Description
ATMPs	Assembly, Testing, Marking & Packaging
BGA	ball grid array
BoM	Bill of Materials
CAGR	Compound Annual Growth Rate
Capex	Capital Expenditure
CBU	Completely Built Unit
CEEW	Council on Energy, Environment and Water
CEF	Community Enterprise Fund
COB	Chip on board
COVID	CoronaVirus Disease of 2019
DRAM	Dynamic Random Access Memory
DTA	Domestic Tariff Area
EBITDA	EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses – Other Income
EBITDA Margin	EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
ECGLS	Emergency Credit Linked Guarantee Scheme
EMDE	Emerging Market and Developing Economies
eMMC	embedded MultiMediaCard
ERP	Enterprise Resource Planner
ESDM	Electronics System Design and Manufacturing
ESM	Enterprise Service Management
EV	Electric Vehicle
FABs	Fabrication Plants
GDP	Gross Domestic Product
IC	integrated circuit
IMF	International Monetary Fund
ISO	International Organization for Standardisation
IT	Information Technology
LC	Letter of credit
LED	Light-emitting diode
LoI	Letter of Intent
MGNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MoU	Memorandum of Understanding
MRP	Maximum Retail Price
mSD	Moisture sensitive devices
MSME	Micro, Small, and Medium Enterprises
NAND	NOT-AND
NFE	Net foreign exchange
NFHS	National Family Health Survey
NOR	Non-Volatile Storage Technology
NPE	National Policy on Electronics
NPI	New Product Introduction
NPV	Net present value
NSEZ	Noida Special Economic Zone
ODMs	Original Design Manufacturers
OEMs	Original Equipment Manufacturer
OFS	Offer for Sale
OHSAS	Occupational Health and Safety Assessment Series
P & M	Plant and Machinery
PAT	PAT is calculated as Profit before tax – Tax Expenses
PAT Margin	PAT Margin is calculated as PAT for the period/year divided by Revenue from Operations
PCB	Printed Circuit Board

<b>Term</b>	<b>Description</b>
PCBA	Printed Circuit Board Assembly
PLI Scheme	Production Linked Incentive Scheme
PLI WG	Product Linked Incentive Scheme for White Goods
PMP	Phased Manufacturing Policy
PWB	Printed Wiring Boards
QA	Quality Assurance
R&D	Research & Development
REACH	Registration, Evaluation, Authorization and restriction of Chemicals
Return on Capital Employed	Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}
Return on Equity	Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
Revenue from operations	Revenue from operations is the total revenue generated by our Company from the sale of Products
RMTS	Resilient Modulus Testing System
RoHS	Restriction of Hazardous Substances
SEZ	Special Economic Zone
SMT	Surface Mount Technology
SPECS	Scheme for Promotion of Manufacturing of Electronics Components and Semiconductors
SSD	Solid State Drive
UAV	Unmanned Aerial Vehicle
UNDP	United Nations Development Programme
USB drives	Universal Serial Bus Drives
WHO	World Health Organization
X-ray	Diagnostic radiology

### **Conventional terms and Abbreviations**

<b>Abbreviation</b>	<b>Full Form</b>
Rs. / Rupees/ INR / ₹	Indian Rupees, the legal currency of the Republic of India
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder
CA	Chartered Accountant
CAIIB	Certified Associate of Indian Institute of Bankers
CB	Controlling Branch

<b>Abbreviation</b>	<b>Full Form</b>
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CrPC	Code of Criminal Procedure, 1973
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Installment
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Offer of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992
FTA	Foreign Trade Agreement
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Finance Act	Finance Act, 1994
Fraudulent Borrower	A fraudulent borrower as defined in Regulation 2(1)(III) of the SEBI ICDR Regulations.
FV	Face Value
GIR Number	General Index Registry Number.
GoI/Government	Government of India
GBP / £	British pound sterling, the official currency of the United Kingdom and its territories.
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016

<b>Abbreviation</b>	<b>Full Form</b>
ICAI	The Institute of Chartered Accountants of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IT	Information Technology
IT Act	Information Technology Act, 2000
IFRS	International Financial Reporting Standards
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
BRLM	Book Running Lead Manager
LLB	Bachelor of Law
Ltd.	Limited
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
MAT	Minimum Alternate Tax
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
NSE	National Stock Exchange of India Limited
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account
NACH	National Automated Clearing House
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NSE	National Stock Exchange of India Limited
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence



Abbreviation	Full Form
	on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer.
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
P.O.	Purchase Order
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
Q.C.	Quality Control
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI (PFUTP) Regulations / PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI Regulations/ SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
SEBI Takeover Regulations / Takeover Regulations / Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended from time to time.
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sub-Account	Sub-accounts registered with SEBI under the SEBI (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Sec.	Section
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SSI	Small Scale Industry
SPV	Special Purpose Vehicle

<b>Abbreviation</b>	<b>Full Form</b>
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
Trade Marks Act	Trade Marks Act, 1999
TIN	Taxpayers Identification Number
UIN	Unique identification number
UK	United Kingdom
U.N.	United Nations
US/United States	United States of America
U.S. Securities Act	The United States Securities Act, 1933
USD/ US\$/ \$/ US Dollar	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may Be.
WDV	Written Down Value
WOS	Wholly-owned Subsidiary
WTD	Whole Time Director
w.e.f.	With effect from
-, (₹)	Represent Outflow

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.

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

**Certain Conventions**

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, unless the context otherwise indicates or implies, refers to Sahasra Electronic Solutions Limited. All references in the Draft Red Herring Prospectus to “India” are to the Republic of India. All references in the Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

**Use of Financial Data**

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our Restated Financial statements comprising of the Restated Statement of Assets and Liabilities as at March 31 2024 & March 31 2023 of our Company & as at February 21, 2023 & March 31 2022 of our erstwhile proprietorship (*Sahasra Electronic Solutions*), and the Restated Statements of Profit and Loss and Cash Flows for the Fiscals ended March 31 2024 & period February 22, 2023 to March 31 2023 of our Company and for the period/ year ended February 21, 2023 & March 31 2022 of our erstwhile proprietorship (*Sahasra Electronic Solutions*) prepared in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “**Financial Information of the Company**” beginning on page 142 of this Draft Red Herring Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“**IFRS**”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “**Risk Factors**”, “**Our Business**”, “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Statutory Auditor, set out in section titled “**Financial Information of the Company**” beginning on page 142 of this Draft Red Herring Prospectus.

As on date of the Draft Red Herring Prospectus we have acquired 54.18% stake of Sahasra Semiconductors Private Limited with effect from June 21, 2024. The principal business of Sahasra Semiconductors Private Limited is manufacturing, wafer/chip dicing, grinding chip bonding, testing marking, packing & selling of semiconductor components and products or accessories using these semiconductors. Further, to carry on complete process of integrated circuits (IC) packaging as authorized under its memorandum of association. As a result of the acquisition, we are able to consolidate all of these operations into our business at a group level. Accordingly, we have included in this Draft Red Herring Prospectus, the Unaudited Proforma Financial Information of our Company, comprising the proforma consolidated balance sheet as at March 31, 2024 and the proforma statement of profit and loss for the Financial Years ended March 31, 2024 read with the notes to the proforma financial information, prepared to illustrate the impact of the acquisition of Sahasra Semiconductors Private Limited on the group’s financial position as at March 31, 2024 as if the acquisition of Sahasra Semiconductors Private Limited had taken place on April 1, 2023. The Unaudited Proforma Financial Information addresses a hypothetical situation and does not represent our actual consolidated financial results and is not intended to be indicative of our future condition and results of operations. See “**Risk Factors –The Proforma Financial Information included in this Draft Red Herring Prospectus is not indicative of our expected results or operations in the future periods or our future financial position or a substitute for our past results**”. We do not have any associate company as on date of Draft Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31 of every next year.

For additional definitions used in this Draft Red Herring Prospectus, see the section “**Definitions and Abbreviations**” on page 10f this Draft Red Herring Prospectus. In the section titled “**Main Provisions of the Articles of Association**”, on page 285 of the Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

**Use of Industry & Market Data**

Unless stated otherwise, industry and market data and forecast used throughout the Draft Red Herring Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry

publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. 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 market and industry sources.

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled ***“Basis for Offer Price”*** on page 78 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.

### **Currency of Financial Presentation**

All references to “Rupees” or “INR” or “Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled ***“Industry Overview”*** throughout the Draft Red Herring Prospectus all figures have been expressed in Lakhs.

Any percentage amounts, as set forth in ***“Risk Factors”***, ***“Our Business”***, ***“Management's Discussion and Analysis of Financial Conditions and Results of Operations”*** on page 25, 95 and 214 respectively of this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our restated financial statements prepared in accordance with Ind GAAP.

The Draft Red Herring Prospectus contains conversion 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, 2018. 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.

### **FORWARD LOOKING STATEMENTS**

This Draft Red Herring Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Red Herring 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. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Reduction or elimination of tax exemptions given to units functioning in Special Economic Zones.
3. Our ability to effectively manage the operations of and costs associated with our manufacturing facilities
4. Any change in government policies resulting in increases in taxes payable by us;
5. We rely on the continued operations of our manufacturing facilities and any slowdown, shutdown or disruption in our manufacturing facilities may be caused by natural and other disasters causing unforeseen damages which may lead to disruptions in our business and operations could have an adverse effect on our business, results of operations, financial condition and cash flows;
6. Our ability to retain our managements personnel and other employees;
7. Foreign exchange fluctuations may adversely affect our earnings and profitability;
8. Failure to comply with quality standards may lead to cancellation of existing and future orders;
9. General economic, political and other risks that are out of our control;
10. Company’s ability to successfully implement its growth strategy and expansion plans;
11. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
12. Our dependency on our R&D activities for our future success; and
13. Any adverse outcome in the legal proceedings in which we are involved.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 25, 142 and 214 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual 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 or our Directors or Selling Shareholder or our Officers or Book Running Lead Manager or 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, Selling Shareholder and the BRLM 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 Offer.

**SECTION II – SUMMARY OF DRAFT RED HERRING PROSPECTUS****A. SUMMARY OF BUSINESS**

Our Company is an EN 9100:2018 certified company, which is engaged in the business of providing solutions towards electronics system design and manufacturing (“ESDM”) services at its manufacturing plant located at 68AA, NSEZ, Noida, Uttar Pradesh, which is equipped with four high speed SMT lines having a total capacity of around 1800000 units. We provide product and solutions right from printed circuit board (“PCB”) assembly, Box Build, LED lighting, Memory, IT accessories, computer and IT hardware. We have during the FY 2024-25, acquired controlling stake in Sahasra Semiconductor Private Limited, whose Semiconductor Packaging Facility is located at Bhiwadi, Rajasthan & engaged in the manufacturing of electronic components like integrated circuits, chips, semiconductor devices, eMMC, mSD, COBs, COB based USBs, LED drivers IC, BGA, NAND flash & memory products.

*For further details please refer to the chapter titled “Our Business” beginning on page 95 of this Draft Red Herring Prospectus.*

**B. SUMMARY OF INDUSTRY**

On an overall basis, electronics manufacturing had grown from US\$37.1 billion in 2015-16 to US\$ 67.3 billion in 2020-21. However, COVID-19 related disruptions impacted the growth trajectory in 2020-21 and led to a decline in the manufacturing output to US\$67.3 billion. The National Policy on Electronics (NPE) 2019 set a target of achieving a turnover of US\$ 400 billion by 2025. However, the COVID-19 pandemic brought with it unforeseen and unprecedented challenges. In light of this, the NPE 2019 targets for electronics production in 2025-26 at US\$ 300 billion appears to be more realistic considering the disruption on account of COVID-19 in the past 18 months which has been aggravated with the new variants of the COVID-19 virus such as the Omicron.

*For further details please refer to the chapter titled “Industry Overview” beginning on page 87 of this Draft Red Herring Prospectus.*

**C. OUR PROMOTERS**

Our Company is promoted by Amrit Lal Manwani, Arunima Manwani & Varun Manwani. For further details please refer to the chapter titled “Our Promoters & Promoter Group” beginning on page 137 of this Draft Red Herring Prospectus.

**D. DETAILS OF THE OFFER**

Initial Public offer of upto 65,78,000 Equity Shares of ₹ 10 each (“**Equity Shares**”) of Sahasra Electronic Solutions Limited (*the “Company” or the “Issuer”*) for cash at a price of ₹ [●] (*including a Share premium of ₹ [●] per Equity Share*) per share (*the “Offer Price”*), aggregating to ₹ [●] lakhs (“**the Offer**”) comprising of fresh Issue of 60,78,000 equity shares of ₹ [●] per equity share aggregating to ₹ [●] lakhs and offer for sale of 5,00,000 equity shares by selling shareholder of ₹ [●] per equity share aggregating to ₹ [●] lakhs, of which upto [●] equity shares of ₹ 10 each for cash at a price of ₹ [●] (*including a Share premium of ₹ [●] per Equity Share*) per share aggregating to ₹ [●] Lakhs will be reserved for subscription by Market Makers to the Offer (*the “Market Maker Reservation Portion”*). The Offer less Market Maker Reservation Portion i.e., Offer of upto [●] equity shares of ₹ 10 each for cash at a price of ₹ [●] (*including a Share premium of ₹ [●] per Equity Share*) per share aggregating to ₹ [●] Lakhs is hereinafter referred to as the “**Net Offer**”. The Offer and the Net Offer will constitute 26.32% and [●]%, respectively of the post Offer paid up equity share capital of the Company.

*For further details please refer to the chapter titled “Terms of the Offer” beginning on page 248 of this Draft Red Herring Prospectus.*

**E. DETAILS OF THE SELLING SHAREHOLDER**

The Selling Shareholder have consented to participate in the Offer for Sale in the following manner:

Name of the Selling Shareholder	Type	Authorization Letter dated	No. of Equity Shares held	No of Equity Shares offered by way of Offer for Sale	% of the pre-Offer paid-up Equity Share capital
<b>Promoter Selling Shareholder</b>					
Amrit Lal Manwani	Promoter	April 08, 2024	1,79,64,700	5,00,000	2.64%

*The Selling Shareholder has confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations, 2018 and that the Selling Shareholder has not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Selling Shareholder has also confirmed that he is the legal and beneficial owners of the Equity Shares being offered by them under the Offer for Sale.*

**F. OBJECTS OF THE OFFER**

Our Company intends to utilize the Proceeds of the Offer to meet the following objects:-

(₹ in Lakhs)

Sr. No.	Particulars	Amount
1.	Funding Capital Expenditure towards installation of additional plant and machinery at new manufacturing facility situated at Bhiwadi, Rajasthan	6,028.04
2.	Investment in our Subsidiary, Sahasra Semiconductors Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery	2,542.30
3.	Funding of Working Capital requirements	[●]
4.	General Corporate Purposes	[●]
	<b>Total</b>	[●]

For further details please refer to the chapter titled “Object to the Offer” beginning on page 66 of this Draft Red Herring Prospectus.

**G. PRE-OFFER SHAREHOLDING OF PROMOTERS & PROMOTER GROUP AND SELLING SHAREHOLDER**

Our Promoters & Promoter Group collectively holds 1,79,69,500 Equity shares of our Company aggregating to 95.00% of the pre-Offer paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters & Promoter Group, as on date of this Draft Red Herring Prospectus:-

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters (A)</b>				
1.	Amrit Lal Manwani	1,79,64,700	94.98	[●]	[●]
2.	Varun Manwani	1,200	0.01	[●]	[●]
3.	Arunima Manwani	1,200	0.01	[●]	[●]
	<b>Sub Total (A)</b>	<b>1,79,67,100</b>	<b>94.99</b>	[●]	[●]
	<b>Promoter Group (B)</b>				
4.	Varsha B P Manwani	1,200	0.01	[●]	[●]
5.	Akshay Manwani	1,200	0.01	[●]	[●]
	<b>Sub Total (B)</b>	<b>2,400</b>	<b>0.02</b>	[●]	[●]
	<b>Total (A) + (B)</b>	<b>1,79,69,500</b>	<b>95.00</b>	[●]	[●]

\*As mentioned above, Amrit Lal Manwani (“Selling Shareholder”) is offering 5,00,000 equity shares to public in this Offer and post offer the holding of Amrit Lal Manwani will reduce to 1,74,64,700 equity shares.

**H. SUMMARY OF FINANCIAL INFORMATION**

Following are the details as per the Restated Financial Statements for the financial period/ years ended on March 31 2024 & March 31 2023 of our Company & February 21, 2023 & March 31 2022 of our erstwhile proprietorship (Sahasra Electronics Solutions):-

(₹ in lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023	February 21, 2023	March 31 2022
		Company		Proprietorship	
		1.	Paid up Share Capital/ Proprietor Capital	1891.48	1796.95
2.	Net Worth	6031.69	2027.50	2435.06	1521.57
3.	Revenue (including other income)	10,278.79	1,063.91	6,002.92	2,212.80
4.	Profit/(loss) after tax	3,262.77	230.55	1794.56	250.17
5.	Earnings per Share	18.05	1.30	10.11	1.41
6.	Net Asset Value per Share (Based on Weighted Average Number of Shares)	33.37	11.43	13.72	8.57
7.	Total Borrowings (including current maturities of long-term borrowings)	2171.89	689.84	798.60	30.96

**I. AUDITOR QUALIFICATIONS**

Except as mentioned below, there are no such pending Auditor’s Qualifications in the Financial Statements of the Company which requires any effect to be given in the Restated Financial Statement.

Financial Year	Emphasis of Matter
2022-23	We draw your kind attention to the following matter:

Financial Year	Emphasis of Matter
	<ol style="list-style-type: none"> <li>The Company has made provision of the employees benefit as estimated by the management instead of actuarial valuation as per AS 15 (amount unascertained)</li> <li>The assets and liabilities of SES as on 21.02.2023 has been transferred to Sahasra Electronic Solution Limited (SES Limited) pursuant to succession agreement entered by SES with SES Limited.</li> <li>In view of approval of NSEZ in next financial year in April 2023 SES has carried on business activities on behalf of this company from 22.02.2023 to 31.03.2023 and consequently the production, sales and expenditure were carried on by SES on behalf of this company and accordingly such income and expenditure has been accounted for by this company.</li> <li>Long term investments are yet to be transferred in the name of this company.</li> <li>Allotment of share capital was made in the Board meeting held on 26.04.2023.</li> </ol>

#### J. SUMMARY OF OUTSTANDING LITIGATIONS

Our Company, Promoters, Directors, Group Companies and our Subsidiary Company are involved in certain legal proceedings, which is outstanding as on date of Draft Red Herring Prospectus. For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page 223 of this Draft Red Herring Prospectus.

S. No.	Name of Entity	Criminal Proceedings	Tax Proceedings	Material Civil Litigations	Aggregate amount involved (₹ in lakhs)
<b>1.</b>	<b>Company</b>				
	By the Company	Nil	Nil	Nil	Nil
	Against the Company	Nil	Nil	Nil	Nil
<b>2.</b>	<b>Directors &amp; Promoters</b>				
	By the Directors & Promoters	1	Nil	Nil	12.15
	Against the Directors & Promoters	Nil	Nil	Nil	Nil
<b>3.</b>	<b>Subsidiary Company</b>				
	By the Company	Nil	Nil	Nil	Nil
	Against the Company	Nil	Nil	Nil	Nil
<b>4.</b>	<b>Group Companies (Material to our Company)</b>				
	By the Group Companies	Nil	Nil	Nil	Nil
	Against the Group Companies	Nil	2	1	746.52

#### K. RISK FACTORS

For details on the risks involved in our business, please see the Chapter titled “*Risk Factors*” beginning on page 25 of this Draft Red Herring Prospectus.

#### L. SUMMARY OF CONTINGENT LIABILITIES

Our Company have the below mentioned contingent liabilities for the financial period/ years ended on March 31 2024 & March 31 2023 of our Company & February 21, 2023 & March 31 2022 of our erstwhile proprietorship (*Sahasra Electronics Solutions*). For further details, please refer to *Note ZE – Contingent Liabilities* of the chapter titled “*Financial Information of the Company*” on page 174 of this Draft Red Herring Prospectus.

(₹ in Lakhs)

Particulars	As at			
	March 31, 2024	March 31, 2023	February 21, 2023	March 31, 2022
	(Company)		(Proprietor)	
Contingent liabilities in respect of:				
Claims against the company not acknowledged as debts	7.14	7.14	-	-
Guarantees given on Behalf of the Company	3250.00	-	-	-
Other commitments	1206.67	-	-	-
<b>Total</b>	<b>4,463.81</b>	<b>7.14</b>	<b>-</b>	<b>-</b>

#### M. 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 period/ years ended on March 31 2024 & March 31 2023 of our Company:-



**AA RELATED PARTY DISCLOSURE****(A) List of Related parties**

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
<b>(a)</b>	<b>List of Related parties</b>	
1	Mr. Amrit Lal Manwani	Chairman & Managing Director
2	Varsha BP Manwani	Managing Director's Wife
3	Mr. Varun Manwani	Director
4	Mrs. Arunima Manwani	Director's Wife (Appointed as Director w.e.f 22nd February, 2023)
<b>(b)</b>	<b>Entity</b>	
4	Sahasra Electronics Private Limited	Chairman & Managing Directors is CMD here
5	Sahasra Semiconductors Private Limited	Chairman & Managing Directors is Director here
6	Infopower Technologies Private Limited	Director Is one of the Director here
7	Sahasra Electronics Rwanda Private Limited	Director Is one of the Director here
8	Sahasra Electronics	Sole Proprietorship of one Director
9	Optima Technology INC	Chairman & Managing Director Is one of the Director here
10	Megma RFID & Labels Private Limited	Chairman & Managing Director Is one of the Director here

**(B) TRANSACTION WITH RELATED PARTIES :-***(₹ in lakhs)*

Particulars	For the period March 31, 2024	For the Period March 31, 2023
<b>Remuneration Paid to Related Party</b>		
Amrit Lal Manwani	175.00	-
Varun Manwani	91.00	-
Arunima Manwani	28.00	-
Pradeep Kumar (sitting fees)	0.92	
<b>Share Allotted</b>		
Amrit Lal Manwani	-	1796.45
Varun Manwani		0.12
Arunima Manwani		0.12
Money received against share allotment/Purchase consideration	22.38	1774.32
<b>Export Sales &amp; Domestic Sales</b>		
Optima Technology Associates Inc	5,603.89	881.12
Sahasra Electronics	431.79	6.14
Sahasra Electronics Rwanda Private Limited	336.63	-
Megma RFID & Labels Private Limited	136.25	-
<b>Purchase &amp; Import of Raw Material</b>		
Optima Technology Associates Inc	408.98	98.62
Infopower Technologies Private Limited	315.30	109.12
Sahasra Electronics	214.18	
Sahasra Electronics Private Limited	573.50	
Sahasra Semiconductors Private Limited	18.38	
<b>Interest Paid , Received &amp; re-imburement</b>		
Sahasra Electronics	0.35	9.43
Infopower Technologies Private Limited	0.32	0.32
Sahasra Electronics Private Limited	491.50	31.36
Sahasra Semiconductors Private Limited	14.22	2.08
Megma RFID & Labels Private Limited	2.94	-
Varsha BP Manwani (Rent)	1.80	
<b>Loan Given</b>		
Sahasra Semiconductors Private Limited	1,125.00	-
Amrit Lal Manwani (Repaid)	330.00	258.00

Particulars	For the period March 31, 2024	For the Period March 31, 2023
<b>Loan Taken</b>		
Amrit Lal Manwani	410.00	-

Details of Balance Outstanding of related parties as at :

(₹ in lakhs)

Name	Relation	Particulars	Outstanding Balance	
			March 31, 2024	March 31, 2023
Mr. Amrit Manwani	KMP	Current Liabilities	411.31	331.31
Mrs. Arunima Manwani	KMP	Current Liabilities	2.00	-
Mr. Varun Manwani	KMP	Current Liabilities	6.50	-
Optima Tech Associates Inc	Significant Influence	Trade Receivables	759.36	1028.17
		Trade Payables	33.45	933.02
Infopower Technologies Private Limited	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence / Group Companies	Trade Payables	60.17	1506.03
		Non-Current Investment	11.00	11.00
Sahasra Electronics (Rwanda) Private Limited	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence / Group Companies Wholly owned subsidiary	Trade Receivables	246.00	652.29
Sahasra Electronics	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence	Trade Receivables	7.58	6.14
		Trade Payable	-	0.35
Sahasra Semiconductors Private Limited	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence	Investment	948.00	648.00
		Trade Payable	3.09	-
		Current Asset	14.22	-
		Loan	1125.00	-
Megma RFID & Labels Private Limited -NSEZ	Significant Influence	Trade Receivable	109.03	-
Sahasra Electronics Private Ltd	Significant Influence	Trade Payable	311.65	-

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

For further details, please refer to the Note Y – Related Party Disclosures of chapter titled “Financial Information of the Company” on page 168 of this Draft Red Herring Prospectus.

#### **N. DETAILS OF FINANCING ARRANGEMENTS**

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

#### **O. WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTERS/ SELLING SHAREHOLDER IN THE ONE YEAR**

Weighted average price at which the Equity Shares were acquired by our Promoters and Selling Shareholder in Last one year preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Name of the Promoters & Selling Shareholder	No. of Shares held	Weighted Average Price (in ₹ per equity share)
1.	Amrit Lal Manwani	200	10
2.	Arunima Manwani	Nil	Nil
3.	Varun Manwani	Nil	Nil

#### **P. AVERAGE COST OF ACQUISITION OF SHARES FOR PROMOTERS/ SELLING SHAREHOLDER**

The average cost of acquisition of Equity Shares by our Promoters and Selling Shareholder are set forth in the table below:

Sr. No.	Name of the Promoters & Selling Shareholder	No. of Shares held	Average cost of Acquisition (in ₹)*
1.	Amrit Lal Manwani	1,79,64,700	10.00
2.	Arunima Manwani	1,200	10.00
3.	Varun Manwani	1,200	10.00

\*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, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date.

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

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

#### **R. OFFER OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR**

Except for the details mentioned below, we have not issued Equity Shares for consideration other than cash in the preceding one year.

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
Upon Incorporation	1,77,40,781	10.00	10.00	Pursuant to the acquisition of M/s Sahasra Electronic Solutions	Acquisition of the running business of M/s Sahasra Electronic Solutions	Amrit Lal Manwani	1,77,40,781
						<b>TOTAL</b>	<b>1,77,40,781</b>

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

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

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

As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

### **SECTION III: RISK FACTORS**

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Red Herring Prospectus, particularly the “**Financial Information of the Company**” and the related notes, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” on page 142, 95 and 214 respectively of this Draft Red Herring Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.

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

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

#### **Materiality**

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

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

#### **Note:**

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

In this Draft Red Herring 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**” on page 212 and “**Management Discussion and Analysis of Financial Condition and Results of Operations**” on page 214 of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “**Restated Financial Statements**”.

#### **INTERNAL RISK FACTORS**

1. **Our business is dependent on the sale of our products to certain key customers which also includes some of our Group Companies. The loss of any of these customers or loss of revenue from sales to these customers could have a material adverse effect on our business, financial condition, results of operations and cash flows.**

Our business is dependent on certain key customers for sale of our products which includes both domestic and international entities. For the fiscals 2024, 2023 and 2022, our top ten customers contributed to 95.78%, 89.15% and 99.74% of our revenue from operations. The loss of any of these customers or a loss of revenue contributed by these customers may materially affect our business, financial condition, results of operations and cash flows. Further, there can be circumstances where our customers may vary their material sourcing strategies which may affect our sales with those customers. Also, we cannot assure you that we will be able to significantly reduce our dependence on few of these key customers in the future. Further, during the fiscal 2024, 2023 and 2022, the sales of our products to our promoter group and Group Company, contributed to approximately 62.99%, 61.09% and 95.09% of our revenue from operations. Thus, a major portion of our business comprises of sales directly to our group companies, for which we do not have long term agreements. We sell such products to our group company based on the orders procured by them and if such companies opt other suppliers for fulfilling their demands, we may not be able to find alternate customers.

Also, many of the purchase orders we receive from customers specify the price per unit, product specification and delivery schedule, with the quantities to be delivered. However, such orders may be amended or cancelled and we may be unable to seek compensation for any surplus bought out or manufactured components. As we are dependent on certain key customers for a significant portion of our sales, the loss of any one of our key customers, if not replaced, may have a material adverse effect on our business, results of operations and financial condition. Also, our customers have high standards for product quality, any failure to meet customers' expectations could result in the liquidated damages. Also, purchase orders are typically subject to conditions such as ensuring that all products delivered to the customer have been inspected. Customers may demand set off their payment dues, require indemnification for rectification of the error in the product supplied or replace their existing products with alternative products, any of which may have an adverse effect on our business and results of operations.

**2. *We are significantly dependent on revenue from sale of PCBA. Any inability to anticipate or adapt to evolving up gradation of the required products or inability to ensure product quality or reduction in the demand of these products may adversely impact our revenue from operations and growth prospects.***

The revenue from the sale of PCBA contribute to a significant portion of our revenue from operations and we are thus significantly dependent on the sale of PCBA. Our sale of PCBA, which represented 87.18%, 97.24% and 75.00% of our revenue from operations for the fiscal year 2024, 2023 and 2022 respectively. We cannot assure you that we will increase our market share in the future for these products. Demand for these products depends primarily on the orders received from our customers. Further, the products may be substituted by product up gradation and our company may be unable to upgrade these products. We may not be able to introduce new product that are in faster-growing and more profitable categories. Any of these factors could have a material adverse impact on our financial condition and the results of operations. Further, we may also be required to invest in updated technology and processes to develop upgraded product having the desired specification, qualities and characteristics and continually monitor and adapt to evolving demand. Any such upgradation may also require for additional capital investment which may affect our business operations and financial position.

**3. *Our company has been recently incorporated and has taken-over the running business of M/s Sahasra Electronic Solutions, thus we have limited operating history as a Company which may make it difficult for investors to evaluate our historical performance or future prospects.***

Our Company was incorporated as a limited Company under the Companies Act, 2023 with Registrar of Companies, dated February 22, 2023. The company has takeover the running business along with the assets and liabilities of the proprietorship concern of our Promoter namely M/s. Sahasra Electronic Solutions, thus we have limited operating history as a company from which one can evaluate our business, future prospects and viability. Our future business operation and financial position may not be comparable with that of the proprietorship concern and difficult to estimate and could fluctuate significantly and as a result the price of our Equity Shares may remain volatile. Further, the transfer of assets and liabilities have been undertaken based on the MOU entered between the promoter of our company and the owner of the proprietorship firm based on the consideration mutually decided between them pursuant to the agreement dated February 22, 2023. In case of any dispute between the parties with regards to the MOU for transfer of assets and liabilities between the proprietorship and the Company may have an adverse effect on the business and financial position of the company. Also, the agreement does not restrict the Proprietor to again start the business of manufacturing of PCBA, Box build, LED and electronic boxes and accessories which may have an adverse effect on our business and profitability. Also, there can be no assurance that conflict of interests may not arise in the future in allocating business opportunities. In cases of conflict, our promoters may favour other companies in which our promoter have an interest that could have a material adverse effect on our business.

**4. *Inventories and trade receivables form a major part of our current assets. Failure to manage our inventory and trade receivables could have an adverse effect on our sales, profitability, cash flow and liquidity.***

Our Company's business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. However, if we misjudge expected customer demand / potential orders, it could cause either a shortage of products or an accumulation of excess inventory. During the fiscal year 2023-24, FY 2022-23 and FY 2021-22 our inventories were ₹ 2108.21 lakhs, ₹ 801.69 lakhs and ₹ 304.05 lakhs. To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. Moreover, since most of our sales are based on orders received from customers as per their requirements, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and/ or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. During the fiscal year 2023-24, FY 2022-23 and FY 2021-22 our trade receivables were ₹ 2656.69 lakhs, ₹ 1764.74 lakhs and ₹ 459.89 lakhs. We may be subject to working capital risks due to delays or defaults in payment by clients, which may restrict our ability to procure raw materials and make payments when due. In addition, any delay or failure on our part to supply the required quantity or quality of products, within the time stipulated by our agreements, to our customers may in turn cause delay in payment or refusal of payment by the customer. Such defaults/delays by our customers in meeting their payment obligations to us may have a material effect on our business, financial condition and results of operations.

**5. Any delay, interruption or reduction in the supply of raw materials required to manufacture our products may adversely affect our business, results of operations, cash flows and financial condition.**

Our business operations are significantly dependent on third parties for the material requirements for manufacturing of finished goods. We source our raw materials and bought out components and sub-assemblies like: Electronic Components (micro controllers, IC, resistors, capacitors, LED, PCB and other semiconductors), Wiring Harness, Plastic Parts, Sheet Metal Parts, Process consumables etc. from third party suppliers located domestically and in countries like United States, China, Hong Kong, Thailand, Singapore etc. During the fiscal 2024, 2023 and 2022 our imports comprise of ₹ 4988.87 lakhs, ₹ 3361.27 lakhs and ₹ 1201.41 lakhs respectively. The quality of our products is primarily dependent on the quality of our raw materials, and any deterioration in the quality of raw materials supplied to us will have an adverse effect on the quality of our products, market reputation and sales volumes. There can be no guarantee that we will be able to maintain our current line-up of suppliers or adequate supply of such raw materials at all times. Additionally, the prices of our primary raw materials are volatile and fluctuate based on a number of factors outside our influence. We cannot be certain that we will be able to obtain raw material meeting the specified quality standards on commercially acceptable terms, or that our suppliers will perform as expected. If we fail to receive the quality of raw materials that we require or negotiate appropriate financial terms or obtain adequate supply of raw materials in a timely manner, or our suppliers discontinue the supply of such raw materials, we cannot assure that we will be able to find alternate sources for the procurement of raw materials in a timely manner or at all. Our cost of raw materials and components consumed constituted 52.50%, 55.35% and 70.94% of our revenue from operations, for the Fiscals 2024, 2023 and 2022 respectively. Further, if we cannot fully offset increases in the prices of our raw materials, we may experience lower margins. The occurrence of any such event may adversely affect our business, results of operations, cash flows and financial condition.

Also, we do not have long term supply contracts or exclusive arrangements with any of our suppliers, and any major disruption to the timely and adequate supplies of our raw materials exposes us to volatility in the prices of raw materials and could adversely affect our business, results of operations and financial condition. Further, the availability of these raw materials and components is dependent on the global supply chain and their shortages can be caused by, among other things, variations in the supply of quality material, import duties, currency exchange rates, natural disasters, changing economic conditions, or other geographic and political events. Any such disruption would impact the production and overall financial position of our Company.

**6. Our business is substantially dependent on our engineering teams to accurately carryout the designing, engineering and estimation studies for potential orders. Any deviation during the execution of the order as compared to our estimates could have a material adverse effect on our cashflows, results of operations and financial condition.**

We have developed in-house resources with competencies to deliver our product as per customer specifications which include our qualified engineering team. We rely on our in-house team of 35 engineers as on March 31, 2024 for timely and efficient operations. While our teams have the necessary skill and experience in carrying out designing, estimates and engineering studies, we may not be able to assure the accuracy of such studies. The accuracy of the design and the engineering work are key for the products being accepted by our customers. Further the accuracy of the estimates is dependent on the prices quoted by our suppliers and how accurately we have analyzed and estimated the specifications provided by customers. Any deterrence or deviation in the estimation and calculation of the key elements on which we rely before submitting quotations to customers as compared to our estimates during implementation and operation could have a material adverse effect on our cash flows, results of operations and financial condition.

**7. We are subject to strict design & quality requirements, customer inspections and audits, and any failure to comply with design & quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and future prospects.**

We develop and manufacture complex and specialized components which caters to various sectors based on specific requirements stipulated by our customers. Given the nature of our products and services and the sector in which we operate, we believe that our customers have high standards for product quality, design standards and delivery schedules. Adherence to design & quality standards is a critical factor as any defect in products manufactured by our Company or failure to comply with the specifications of our customers may, in turn, lead to the manufacture of faulty end-products. Component failures, manufacturing non-conformance, efficacy concerns or design defects with respect to our products, if they were to occur, could result in directly or indirectly, personal injuries or other adverse effects. This may lead to cancellation of supply orders and at certain instances may impose additional costs in the form of product liability and/or product recall. Further our facilities, process and products are exposed to regular inspection and audits by our customers to ensure that their internal standards are appropriately met. Any non-compliance observed during inspection/audit may have an adverse impact on our business, financial condition, results of operations and future prospects. Any negative publicity regarding our Company or our products could adversely affect our reputation, our operations and our results from operations

**8. We derive a majority portion of our revenues from exports and are subject to risk of international trade.**

We have historically derived a significant portion of our revenues from operations from export to countries like: United States, Rwanda, Tunisia, United Kingdom, Germany, Canada, Norway, Austria, Belgium etc. During the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our revenues from our exports amounted to ₹ 8503.97 lakhs, ₹ 6803.39 lakhs and ₹ 2038.30 lakhs respectively, which constituted 83.57%, 98.46% and 93.93% respectively, of our total revenues from operations. Further, United States has

contributed to more than 70% of our revenue from operations during the last 3 years. During the Fiscal 2024, Fiscal 2023 and Fiscal 2022, our revenues from our exports to United States constituted 78.73%, 93.49% and 74.29% respectively, of our total revenues from operations. Therefore, any developments in the global ESDM industry or the industries in which our customers operate or specifically in the geographies where we operate could have an impact on our sales from exports. If any severity persists or war like situations occurs between countries across the globe in future our revenue from export may be affected. Further from time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products. There can be no assurance that the countries where we export, among others, where we seek to sell our products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments. Any such imposition of trade barriers may have an adverse effect on our results of operations and financial condition. In addition, our revenues from these markets may decline as a result of increased competition, regulatory action, pricing pressures including as a result of anti-dumping measures, fluctuations in the demand for or supply of our products or services, or the outbreak of an infectious disease such as COVID-19. Our failure to effectively react to these situations could adversely affect our business, prospects, results of operations and financial position.

**9. *Our Company operates under several statutory and regulatory approvals in respect of our operations. Failure to obtain or maintain licenses, registrations, permits and approvals may affect our business and results of operations.***

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those permits and licenses which are adequate to run our business, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. Furthermore, we made application for E-Waste Management System under E-Waste (Management) Rules, 2022 and for Battery Waste Management under Battery Waste Management Rules, 2022 for our manufacturing facility situated at NSEZ, Noida which are pending approval. Further, our Subsidiary company has also applied for the renewal of registration for the E-Waste Management System under E-Waste (Management) Rules, 2022 and for Battery Waste Management under Battery Waste Management Rules, 2022. We cannot assure you that the approvals, licenses, registrations and permits required will be issued to us and those already issued will not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any denial, suspension or revocation of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see **“Government and Other Approvals”** on page 226 of this Draft Red Herring Prospectus.

**10. *Restrictions on foreign trade and/or any increase in shipment cost may adversely impact our business, cash flows and results of operations.***

Most of the products, raw materials and components required in our manufacturing and assembly line process are imported. During the Fiscal 2024, 2023 and 2022 the import purchases accounted for 76.75%, 79.94% and 71.43% of total purchases in the respective years. The import of goods is regulated by various regulatory requirements, which empowers the relevant authority to undertake any measures that it deems fit. Such measures include denying approval for import of such products. There can be no assurance that such regulations will not become more stringent in the future, which could potentially restrict our ability to import from other jurisdictions. Historically, we have been dependent on import from countries like: United States, China, Hong Kong, Thailand, Singapore etc. While our trade with these jurisdictions are not currently subject to any regulatory ban or restriction, there can be no assurance that such regulations will not evolve into more stringent regulations, which would place onerous requirements on us and consequently restrict our ability to trade in these countries. There can also be no assurance that, under these circumstances, we will be successful in identifying alternate suppliers or we will be able to source such products, raw materials or components domestically at favourable terms in a timely manner. While we have not in the past experienced any significant challenge in importing products, there can be no assurance that we will not experience any such challenges in the future.

**11. *We may be subject to risks associated with product warranty. In case any product warranty getting materialized due to product defect, we may be subject to additional cost, product liability claims or loss of future purchase orders from customers which may affect our business and results of operations.***

We are subject to risks and costs associated with product warranties, supply of defective products within the warranty periods stipulated for our products. We usually provide warranty against manufacturing defects on our products, other than for physical damages during transit. Any defects in the finished products may result in invocation of such warranties issued by us and may require repair or replacement resulting in additional costs to the Company. Further, apart from the additional cost relating to repair and replacement, our company may be subjected to product liability claims. There can be no assurance that we will be able to successfully defend or settle such claims and lawsuits against defective products. Multiple instances of manufacturing defects in our products or any product liability claim against us could generate adverse publicity, leading to a loss of reputation, customers and/or increase our costs, thereby materially and adversely affecting our reputation, business, results of operations, financial condition and cash flows.

**12. Our Statutory Auditors have included certain Key Audit Remarks on our Audited financial statements.**

Our auditor has included the below Key Audit Remarks in the financial statements of the Company as detailed below:

Financial Year	Emphasis of Matter	Management Reply
2022-23	<p>We draw your kind attention to the following matter:</p> <ol style="list-style-type: none"> <li>1. The Company has made provision of the employees benefit as estimated by the management instead of actuarial valuation as per AS 15 (amount unascertained)</li> <li>2. The assets and liabilities of SES as on 21.02.2023 has been transferred to Sahasra Electronic Solution Limited (SES Limited) pursuant to succession agreement entered by SES with SES Limited.</li> <li>3. In view of approval of NSEZ in next financial year in April 2023 SES has carried on business activities on behalf of this company from 22.02.2023 to 31.03.2023 and consequently the production, sales and expenditure were carried on by SES on behalf of this company and accordingly such income and expenditure has been accounted for by this company.</li> <li>4. Long term investments are yet to be transferred in the name of this company.</li> <li>5. Allotment of share capital was made in the Board meeting held on 26.04.2023.</li> </ol>	<p>The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.</p> <p>The company has rectified all the points in the Restatement of Accounts.</p>

**13. Our Subsidiary Sahasra Semiconductor Private Limited is engaged in the business of semiconductor chips manufacturing which exposes us to certain risks. If we are unable to effectively manage our operations or pursue our growth strategy, our business, financial condition, results of operations and prospects may be adversely affected.**

Our Subsidiary Sahasra Semiconductor Private Limited is engaged in the business of semiconductor chips manufacturing including products like integrated circuits, chips, semiconductor devices, eMMC, mSD, COBs, COB based USBs, LED drivers IC, BGA, NAND flash & memory products. Our company took over 54.18% stake in the said company on June 21, 2024. As a new entrant in this Industry, we may face multiple challenges. The revenue from operation of our subsidiary for the FY2024, FY2023 and FY2022 were ₹ 300.84 Lakhs, ₹ 126.32 Lakhs and ₹ 0.61 lakhs and the losses for the same period was ₹ (550.53) Lakhs, ₹ (104.96) lakhs and ₹ (27.82) lakhs. As we are a new entrant in the semiconductor market, we will be exposed to various challenges, including those relating to identification of potential markets, customer preferences, regulatory regimes, business practices and customs. We may require significant financial resources for expansion of our operations, including capital expenditure, inventory and hiring of additional employees for our plant. We may be required to obtain loans to finance such expansion and we may not be successful in obtaining such funds in a timely manner and/or on favourable terms including rate of interest, primary security cover, collateral security, terms of repayment, or at all. An inability to effectively manage these operations, recover from the losses incurred by such company or pursue our growth strategy may lead to operational and financial inefficiencies, which may result in a material adverse effect on our business, prospects, financial condition and results of operations

**14. The Pro Forma Financial Information included in this Draft Red Herring Prospectus is not indicative of our expected results or operations in the future periods or our future financial position or a substitute for our past results.**

The company acquired 54.18% stake of Sahasra Semiconductors Private Limited with effect from June 21, 2024 and therefore the Proforma Financial Information for the Fiscal 2024 has been included in this Draft Red Herring Prospectus. It illustrates the impact of acquisition made by company and its financial performance for the year ended March 31, 2024 as if the acquisition had taken place at the beginning of the earliest reported year presented. For further details, see **“History and Certain Corporate Matters -Details regarding material acquisitions or divestments of business/ undertakings, mergers amalgamations or any revaluation of assets, in the last ten years”** and **“Proforma Financial Statements”** on page 205 of this Draft Red Herring Prospectus.

The Proforma Financial Information has been prepared by our Statutory Auditor. It addresses a hypothetical situation and does not represent our actual financial condition or results of operations and is not intended to be indicative of our future financial condition and results of operations. The adjustments set forth in the Proforma Financial Information are based on available information and assumptions that our management believes to be reasonable. As the Proforma Financial Information is prepared for illustrative purposes only, it is, by its nature, subject to change and may not give an accurate picture of the actual financial results that would have occurred had such transactions by us been effected on the dates they are assumed to have been effected, and is not intended to be indicative of our future financial performance. The Proforma Financial Information does not include all of the information required for financial statements under India GAAP. Accordingly, investors should not unduly rely on our Proforma Financial Information. If the various assumptions underlying the preparation of the Proforma Financial Information do not come to pass, our actual results could be materially different from those indicated in the Proforma Financial Information. Accordingly, the Proforma Financial Information included in this Draft Red Herring Prospectus is not intended to be indicative of expected results or operations in the future periods or the future financial position of our Company or a substitute for our past results, and the degree of reliance placed by investors on our Proforma Financial Information should be limited.



**15. We have had negative cash flows from operating activities in the past and may continue to have negative cash flows in the future.**

Our cash flows from operating activities, investing activities and financing activities for the Fiscal 2024, period from February 22, 2023 to March 31, 2023, period from April 1, 2022 to February 21, 2023 and 2022 are set forth below:

(₹ In lakhs)

Particulars	For Fiscal March 31, 2024	February 22, 2023 to March 31, 2023	April 01, 2022 to February 21, 2023	For Fiscal March 31, 2022
	(Company)		(Proprietor)	
Net Cash generated from / (used in) operating activities	94.66	182.56	1,168.16	125.37
Net Cash Flow from/(used in) Investing Activities	(839.15)	72.52	(879.44)	(435.27)
Net Cash Flow from/(used in) Financing Activities	2,137.96	(116.82)	(157.82)	347.58

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

**16. We intend to utilise a portion of the Net Proceeds towards funding the capital expenditure of our Subsidiary, Sahasra Semiconductor Private Limited and we cannot assure you that we will be able to derive the benefits from the proposed object.**

Our Company proposes to utilise ₹ 2542.30 lakhs towards funding the capital expenditure of our Subsidiary, Sahasra Semiconductor Private Limited. The proposed investment by our Company will be undertaken to expand the manufacturing facility for carrying out Electronic Manufacturing Services by installation of new machines. The manufacturing facility of the subsidiary is located at Plot no B-2, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar, Rajasthan- 301019, admeasuring the total land area of 8225.60 sq. mtr. For further information, see “*Objects of the Offer*” on page 66 of this Draft Red Herring Prospectus. Our Company has relied on the management estimates for the proposed expenditure. Further, the subsidiary company has already placed order for new machinery amounting to ₹ 1092.80 lakhs which is around 42.98% of the amount proposed to be invested in the subsidiary. These estimates are dependent on current conditions and are subject to change in light of changes in external circumstances, costs, other financial conditions or business strategies and the passage of time. We cannot assure that we will be able to derive the benefits from the proposed object, or derive the synergies of the proposed project with existing business and operations of the Company. Subject to applicable laws, we may have to revise our funding requirements, including increasing or decreasing expenditure for expansion programme on account of a variety of factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations.

**17. Our registered office and manufacturing facility have been taken on lease basis. If we are unable to renew these leases or relocate on commercially suitable terms, it may have a material adverse effect on our business, results of operation and financial condition**

Our manufacturing facility situated at 68AA, Noida Special Economic Zone, Noida-201305, Uttar Pradesh, India have been taken on lease basis from Noida SEZ Authority Noida. Though we have entered into long-term lease agreements with respect to this property, but such lease agreement may be terminated early in the event of a default or upon the expiry of their tenure and may not be renewed. For details, see “*Our Business*” on page 95 of this Draft Red Herring Prospectus. Also, the registered office of the company situated at 33, Pocket 1, Jasola Vihar, New Friends Colony, South Delhi-110025, New Delhi, India has been taken on lease from Varsha B P Manwani. Additionally, the lease agreements require our Company to comply with certain conditions including prior consent of the lessor for certain actions such as making significant structural alterations, subletting, transferring or assigning the leased premises. If we fail to meet any such conditions, we may be required to incur additional liability or the lease deed may be terminated by the lessor. Also, we share the same premises of our registered office with Our Group Companies namely Sahasra Electronics Private Limited & Infopower Technologies Private Limited. In case of any dispute, we may suffer a disruption in our operations which could have an adverse effect on our business and operations. Any multiple or overlapping use of the said facilities may create some disruption which may affect our business operations.

**18. Our Company has not yet placed orders for machineries and equipment required by us for expansion of our manufacturing facility. Any delay in placing the orders or supply of plant and machinery may result in time and cost overruns, and may affect our profitability.**

The object of the Issue for which the funds are being raised in the issue includes acquisition of machineries and equipment for expansion of our manufacturing facility. Our Company has identified the machineries to be acquired and has received the quotations from the suppliers, but we have not placed final orders for the machineries and equipment aggregating to ₹ 6,028.04 lakhs which are proposed to be acquired for our expansion plan by utilization of Issue Proceeds. Our Company is further subject to risks on account of inflation in the price of the plant and machinery. Since the part funding for the plant and machinery is from

the IPO proceeds, any delay in access to IPO proceeds would eventually delay the process of placing the orders. The purchase of machineries and equipments would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. There may be a possibility of delay at the supplier's end in providing timely delivery of these machineries and equipment, which in turn may delay the implementation of our expansion plan. Further, the quotations relied upon by us in arriving at the total cost of machineries and equipment are valid for a specific period of time and may lapse after the expiry of the specific period. Consequent upon which, there could be a possible escalation in the cost of machineries and equipments proposed to be acquired by us at the actual time of purchase, resulting in increase in the project cost, which may result in cost overruns, and may affect our profitability. For further details read section "*Objects of the Offer*" beginning on page 66 of the Draft Red Herring Prospectus.

**19. We are planning to expand our operations at Plot no B-3/1, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar-301019, Rajasthan. We may face business or financial challenges which may adversely affect our profitability and results of operations.**

We are currently expanding our manufacturing facility by setting up another manufacturing unit at Plot no B-3/1, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar-301019, Rajasthan for which we have entered into a lease with one of our promoter group Sahasra Electronics Private Limited vide a lease agreement dated June 15, 2024. Although, the Promoters of our Company have experience in the industry, but we may face new business and financial challenges including sales issues, marketing, production, cost optimization etc. which may adversely affect our profitability and results of operations. Also, the fund utilized for the installation of machinery will be financed from the issue proceeds of this initial public offer, in case of any delay in raising funds from the initial public offer will impact our expansion plans or we might get delayed in implementation of this expansion plan.

Further, the construction activities on the above premises are expected to be completed by July 30, 2024, in case of any issue with regards to the occupancy of the said premises we may be subject to search of any new premises for the proposed expansion which may have an adverse effect on our business plans and growth. Also, we will apply for all the registrations and regulatory approvals required for the said unit post the completion of construction activities, for details of registrations and approvals refer section "*Objects of the Offer*" beginning on page 66 of the Draft Red Herring Prospectus. Any delay in construction activities or receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could affect our planned expansion and operations. Further, the premises is located in Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi and the Lessee are required to fulfil certain conditions as per the terms entered with these authorities. In the event we or the original lessee are unable to comply with the restrictions, our rights to use our unit may be suspended or withdrawn, which may in turn adversely affect our business, financial condition, results of operations and prospects.

**20. If we are unable to manage our growth effectively and further expand into new markets our business, future financial performance and results of operations could be materially and adversely affected.**

Our company have in the past grown from a revenue of ₹ 2175.65 Lakhs in FY2022 to a revenue from operation of ₹ 10115.27 lakhs in FY2024 representing a growth of 115.62%, also the PAT of the company has grown from ₹ 250.17 Lakhs in FY2022 to a PAT of ₹ 3262.77 lakhs in FY2024 representing a growth of 261.14%. The success of our business will depend on our ability to effectively implement our business and growth strategy. As part of our growth strategy, we aim to, among other things, continue to grow our businesses as and when opportunities exist including reduce operating costs and improve operational efficiencies, increase our geographical reach and expand our customer base etc. As we continue to grow our business and expand into newer markets, we may face several challenges, including as set forth below:

- acquiring new customers;
- identifying customer requirements and preferences in such markets;
- obtaining approvals and certifications for our products in such jurisdictions;
- making accurate assessments of the resources we will require;
- preserving a uniform culture, values and work environment;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
- recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- maintaining high levels of customer satisfaction; and
- adhering to expected performance and quality standards.

In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of operations. Our operating expenses and capital requirements may increase significantly pursuant to our expansion plans. Our ability to manage our growth effectively requires us to forecast accurately our sales, growth and manufacturing capacity and to expend funds to improve our operational, financial and management controls, reporting systems and procedures. Any inability to implement our future business plan, manage our growth effectively, further expand into new markets or failure to secure the required funding on favourable terms or at all could have a material and adverse effect on our business, future financial performance and results of operations.

**21. We enjoy certain tax related & policy benefits in our business, which if withdrawn by the competent authority may affect our financial conditions & profitability.**

Our company enjoy certain tax related and policy benefits which are applicable to us such as tax benefit under section 10AA of Income Tax Act, the tax benefit is applicable for 5 consecutive assessment years beginning from FY2021-22. Further an amount equal to fifty percent of the profit and gains derived from services is deductible for the next 5 years and another next 5 years, further deduction would be available to the extent of 50 percent of the profit provided condition exist in section 10AA should be satisfied. The Company has its manufacturing unit in SEZ Noida and accordingly, is eligible for the aforesaid deduction, earlier we have also been entitled to subsidy under MEIS scheme for undertaking capital expenditure any changes in these regulations or applicable tax laws would materially affect our operations and growth prospects. For details of the applicable key industry regulations and policies please refer chapter titled “*Key Industry Regulations and Policies*” beginning on page 106 and chapter titled “*Statement of Possible Tax Benefits*” beginning on page 84 of this Draft Red Herring Prospectus. We cannot predict the current or future initiatives of the governments and relevant authorities and there can be no assurance that we will continue to enjoy tax incentives. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions. We are also eligible for incentives under the ‘Production Linked Incentive Scheme (PLI) for IT Hardware and our subsidiary is eligible for ‘Production Linked Incentive Scheme (PLI) for electronic applications; Printed Circuit Boards (PCB); PCB Laminates, prepregs; photopolymer films; PCB printing inks; System in Package (SIP); Assembly, Testing Marking and Packaging (ATMP) units. We cannot assure you that we will be granted these incentives within reasonable time or at all. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and adversely affect our business results of operations, cash flows and financial condition.

**22. The manufacturing facility of the company is located in NSEZ; thus our company is required to compulsory comply with certain restrictions imposed upon our company, if we fail to comply with these terms such benefits may be withdrawn which may affect our financials and results of operations.**

Our company is currently availing the benefits pursuant to location of the manufacturing facility in NSEZ; in order to continuously avail these benefits, we are required to export goods of a defined amount. Below are the details of the export and foreign transactions required to be undertaken as per the LOA –

(in ₹ Lakhs)

Particular	2025	2026	2027	2028	2029
FOB value of Export	13,000	13,800	14,500	15,000	15,500
Foreign exchange outgo for 5 years	8,390	8,802	9,244	9,565	9,880
NFE earnings for 5 years	4,610	4,998	5,256	5,435	5,620

Further, the approvals received by us to develop, operate and maintain the SEZs are subject to us fulfilling certain conditions such as maintaining all licenses, approvals required under various laws for carrying on our business from the SEZ premises. In the event we are unable to comply with the restrictions under the laws governing SEZs in India, our rights to use our unit may be suspended or withdrawn, which may in turn adversely affect our business, financial condition, results of operations and prospects. Any failure in meeting the obligations we may not be able to renew the LOA issued by NSEZ. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under such schemes would adversely affect our business, financial condition, to the extent of unfulfilled obligation along with interest.

**23. Loans availed by our Company has been secured on personal guarantees of our directors. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected in case of invocation of any personal guarantees provided by our directors.**

Our Promoter & Managing Director, Amrit Lal Manwani has provided personal guarantee to secure a significant portion of our existing borrowings taken from the banks and may continue to provide such guarantees and other security post listing. In case of a default under our loan agreements, any of the personal guarantees provided by the aforesaid may be invoked which could negatively impact their reputation and net worth. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. We may also not be successful in procuring alternate guarantees/ alternate security satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “*Statement of Financial Indebtedness*” on page 212 of this Draft Red Herring Prospectus.

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

As on March 31, 2024 we had total inventory consisting of raw material, WIP and finished goods to the value of ₹ 2108.21 Lakhs. Our business operations require us to maintain large amounts of inventory at times. Our operations may be subject to incidents of theft or damage to inventory in transit, prior to or during factory stocking and transportation. Although we have set up various

security measures and follow stringent operational processes but, 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 fraud, theft 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 or misconduct 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.

**25. *We do not make any provisions for decline in the value of investments made by our Company. Any continuous decline in the value of investments made by our company may impact our financial results and condition.***

The value of Investment made by our company as of March 31, 2024 stood at ₹ 959.00 Lakhs which represents investment in the equity shares of our Subsidiary company and one of our group company. There have been no provisions made by the management for fluctuation in the value of investments. Further, apart from the investment in share capital, we have also advanced a sum of ₹ 1125.00 lakhs in the form of loan and provided corporate guarantee in favour of our Subsidiary company. For details of the financial information of our Subsidiary company refer chapter “*Our Subsidiary*” beginning on page 123 of this Draft Red Herring Prospectus. Any future loss or profit on the sale of the said investment will be included in the account only when the said investments are sold which may have a material impact on our financial conditions and results of operations of the company.

**26. *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. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.***

There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies, which inter-alia includes clerical errors like: payment of remuneration to Managing Director retrospectively. Further, our company had not complied with Accounting Standards AS-15 and AS 18 in the past, however the same have been duly complied by the company in the restated financial statements. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

**27. *Our business is dependent on our manufacturing facility and we are subject to risks in relation to our manufacturing process, such as technology failures, cyber-attacks, security breaches or obsolescence, destruction, theft, breakdowns of our major plants or machineries or failures to repair or maintain the same could have a material adverse effect on our business, results of operation or financial condition.***

Our business is dependent upon our ability to manage our manufacturing facility, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe climate conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair breakdown of machinery in a timely manner or at all, our operations may need to be suspended for a limited time until we procure new machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing. Obsolescence, destruction, theft or breakdowns of our major plants or machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life of our plants and machineries. Further, some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability.

**28. *IT systems are critical to our ability to manage our operations any disruption or shutdown of the same may have an adverse effect on our business operations.***

Our IT systems enable us to coordinate our operations, from planning, production scheduling, raw material ordering, invoicing, delivery, customer relationship, management and decision support. If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers. We face cyber threats, threats to the physical security of our facilities and employees, the potential for business disruptions associated with IT failures, natural disasters, or public health crises. We have installed anti-virus software to prevent our systems and infrastructure from being infected. If we are unable to protect sensitive information, our customers could question the adequacy of our threat mitigation and detection processes and procedures. Due to the evolving nature of these security threats, the impact of any future incident cannot be predicted. Although we have not experienced any significant disruptions at our manufacturing facility in the past, but we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations for limited time or under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, results of operations and financial condition.

**29. We operate in a highly competitive market, and our competitors may have larger resources which may allow them to compete more effectively than we can, which could result in a loss of our market share and a decrease in our net revenues and profitability.**

We operate in the ESDM industry, which is highly competitive. The industry is highly fragmented as there is competition from various domestic and international players. We face competition from both organized and unorganized players in the industry. We face competition from some of the listed peers as disclosed in the chapter “**Basis for Offer Price**” beginning on page 78 of this Draft Red Herring Prospectus among others. The growth trajectory in the industry has encouraged new entrants to enter into this industry with new business models. In such highly competitive environment, to gain more market share our competitors may reduce prices which is a challenge for the existing players. We compete in various aspects, including user experience, breadth of product and service offerings, product complexity, functionality and quality, sales and distribution, supply chain management, among others. Intensified competition may result in pricing pressures and reduced profitability and may impede our ability to achieve sustainable growth in our revenues or cause us to lose market share. Further, if our competitors develop and implement methodologies that yield greater efficiency and productivity, they may be able to offer services and solutions similar to ours at lower prices without adversely affecting their profit margins. Even if our offerings address industry and customer needs, our competitors may be more successful at selling their services and solutions. Any of these events could substantially harm our results of operations. We cannot assure you that we will be able to compete with them successfully, which could have a material adverse effect on our business operations and financial conditions.

**30. Our Subsidiary Company and some of our Group Company have incurred losses in past and any operating losses in the future could adversely affect the results of operations and financial conditions of our group company.**

The details of profit and loss of our Subsidiary and Group Company in past years are as follows: -

(in ₹ Lakhs)

Particular	For the year ended on		
	March 31, 2023	March 31, 2022	March 31, 2021
Infopower Technologies Private Limited	(355.28)	31.64	42.00
Megma RFID and Labels Private Limited	204.42	305.97	(223.82)
Sahasra Semiconductors Private Limited	(104.96)	(27.83)	(16.12)
Sahasra Electronics (Rwanda) Private Limited (in FRW lakhs)	(1165.13)	73.55	448.56

Any operating losses could adversely affect the overall operations of the group and financial conditions and also divert the attention of the management and promoter towards the group company which could have an adverse effect on our operations and financials. For more information, regarding the Company, please refer chapter titled “**Our Group Companies**” beginning on page 234 of this Draft Red Herring Prospectus.

**31. We deploy advanced technologies in the manufacturing of PCBA, Electronic items, LED lighting, etc. Any incapability to adopt a new technology or change in the requirement of a particular technology may affect our position.**

The manufacturing of PCBA, Electronic items, LED lighting, etc. is technically complex, time consuming and resource intensive because of complex manufacturing process and strict adherence to customers specifications and requirements. We constantly upgrade our technical abilities to offer our clients the full range of products at lower cost and without compromising on quality. To use existing infrastructure to its maximum by avoiding major civil works, and provide cost effective and viable solutions, meeting the norms at the same time. In the event of any change in any technology presently used, which we are not able to provide or we lack sufficient expertise in that technology, we will not be in a position to undertake such work orders for lack of technical qualification and our competitors may get an advantage due to our incapability which could have an adverse effect on our business and revenue from operations.

**32. Our Company is involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties/prosecutions and may adversely affect our business and results of operations.**

Our Company, Directors and Promoter, Group Companies and Our Subsidiary company is currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters, actions by regulatory/statutory authorities and matters above the materiality threshold against our Promoters and Directors have been set out below.

S. No.	Name of Entity	Criminal Proceedings	Tax Proceedings	Material Civil Litigations	Aggregate amount involved (₹ in lakhs)
<b>1.</b>	<b>Company</b>				
	By the Company	Nil	Nil	Nil	Nil
	Against the Company	Nil	Nil	Nil	Nil
<b>2.</b>	<b>Directors &amp; Promoters</b>				
	By the Directors & Promoters	1	Nil	Nil	12.15

S. No.	Name of Entity	Criminal Proceedings	Tax Proceedings	Material Civil Litigations	Aggregate amount involved (₹ in lakhs)
	Against the Directors & Promoters	Nil	Nil	Nil	Nil
<b>3.</b>	<b>Subsidiary Company</b>				
	By the Company	Nil	Nil	Nil	Nil
	Against the Company	Nil	Nil	Nil	Nil
<b>4.</b>	<b>Group Companies (Material to our Company)</b>				
	By the Group Companies	Nil	Nil	Nil	Nil
	Against the Group Companies	Nil	2	1	746.52

*Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “Outstanding Litigations and Material Developments” on page 223 of this Draft Red Herring Prospectus.*

Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. If the courts or tribunals rule against us or our Company, our Directors and Promoter, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

**33. Our manufacturing activities require deployment of labour and depend on availability of skilled labour. In case of unavailability of such skilled labour, our business operations could be affected.**

Our manufacturing operations require deployment and our ability to retain skilled labour. In case such labour workforce is unavailable, or we are unable to identify and retain such skilled labour our business could be adversely affected. We cannot guarantee that we may be able to continue with the same on favourable terms or at all. Any such failure may impact the operations, business process and profitability. Additionally, there have been amendments in the labour and Employment related laws, which may have a direct impact on our employee costs and consequently, on our margins. Further, latest amendments in labour laws in India may lead to increasing cost of compliance, wages, social security, Occupational Safety, Health and Working Conditions. We cannot assure you that we will continue to comply with all these labour related laws and that as we continue to grow our business in the future, our labour and employee costs coupled with operating compliances and expenses will not significantly increase.

**34. We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company’s financial condition and results of operations.**


Our Company has entered into various transactions with our directors, promoters, promoter group and group companies. These transactions, inter-alia includes sales, purchases, remuneration, loans and advances, purchase, sales, rent expenses, reimbursement of expenses etc. For details, please refer to “**Note Y-Related Party Transactions**” under Section titled “**Financial Information of the Company**” and Chapter titled “**Capital Structure**” beginning on page 168 and 57 respectively of this Draft Red Herring Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution. Although all related-party transactions that we may enter into in the future are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**35. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.**

Our insurance policies include vehicle insurance, Marine Cargo Insurance, Bharat Laghu Udyam Suraksha Policy for our Plant, Machinery, Stock, Furniture and Building and Burglary Insurance Policy, which we believe are commercially appropriate. However, we have not insured ourselves for Key managerial person insurance, employee compensation insurance, group personal accident, group medical insurance, product liability claims insurance and Cash in Transit insurance. However, for unforeseen circumstances, we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Further, the company has not taken the public liability policy as the company is involved in hazardous work. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows. For further details of our Insurance Policies, please refer section titled “**Our Business**” beginning on page 95 of this Draft Red Herring Prospectus.

**36. We do not own the trademark/ logo which we are using for our business purpose. The trademark/ logo have been taken from our promoter pursuant to a no objection certificate from the promoter.**



We currently do not own the trademark/logo i.e.  which we are currently using for our business purpose. There might be insufficient protection for our intellectual property rights, potentially leading to significant negative impact on our business and results of operations. As on the date of this Draft Red Herring Prospectus, we do not own any registered trademarks, the trademark which we are using for our business purpose have been taken vide an no objection certificate dated April 23, 2024 from our Promoter. We cannot assure you that our promoter will not withdraw the NOC provided to our company. Further, our promoter group also use the same trademark/logo for their business purpose. In case of any conflict with our promoter/promoter group entities our promoter may withdraw the NOC provided to our company, we will not be able to use the said trademark/logo which will render our intellectual property rights inadequate or if we otherwise fail to sufficiently protect these intellectual property, our business, financial condition and results of operations could be adversely affected.

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

We use third party transportation providers for the delivery of our raw material, components and finished products. Transportation strikes if happen could have an adverse effect on overall industry and accordingly may affect-our receipt of raw materials and components and our ability to deliver our products to our customers. In addition, transportation costs in India have been steadily increasing over the past several years. Continuing increases in transportation costs or unavailability of transportation services for our products may have an additional cost escalation. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects. In addition, India's physical infrastructure is less developed than that of many developed nations, and problems with its road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity, including our supply of raw materials and the delivery of our products to customers by third-party transportation providers. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have a material adverse effect on our results of operations and financial condition. We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins, which in turn may adversely affect our business, financial condition and results of operations.

**38. We are exposed to foreign currency fluctuation risks, which may affect our results of operations.**

Our business involves import and export transactions with foreign companies, which is paid or received in US Dollars or other foreign currencies. A depreciation of Rupee against these foreign currencies would mean that our imports would become expensive and will impact our gross margins. During the fiscal year 2023-24, fiscal year 2022-23 & fiscal year 2021-22 the imports accounted for approximately ₹ 5380.37 lakhs, ₹ 3677.23 lakhs & ₹ 1201.41 lakhs respectively. Similarly, any appreciation of Rupee against these foreign currencies would adversely affect the export value of our products. During the fiscal year 2023-24, fiscal year 2022-23 & fiscal year 2021-22 the exports accounted for approximately ₹ 8503.97 lakhs, ₹ 6803.39 lakhs & ₹ 2038.30 lakhs respectively. The exchange rate between the Rupee and these foreign currencies has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. The foreign exchange gain/(loss) during the fiscal year 2023-24, fiscal year 2022-23 & fiscal year 2021-22 accounted for ₹ 125.45 lakhs, ₹ 128.30 lakhs & ₹ 31.31 lakhs respectively. Though, we have made foreign currency gain in last 3 financial years but in case of any losses we will have to bear the complete risk of currency exchange rate fluctuations.

**39. Under-utilization of our manufacturing capacities may have an adverse effect on our business, future prospects and future financial performance. Moreover, information relating to capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.**

Our capacity utilization is affected by the availability of raw materials, industry and market conditions as well as by the product requirements of, and the procurement practice followed by, our customers. For the FY 2023-24, FY 2022-23 and FY 2021-22 our capacity utilization of manufacturing facility at Noida SEZ was 55.00%, 42.06% and 30.20% respectively. In the event that we are unable to achieve full capacity utilization of our current manufacturing facilities, this would result in operational inefficiencies which may have an adverse effect on our business, financial condition, cash flows, future prospects and future financial performance. For further details in relation to our capacity utilization, see "Our Business" on page 95 of the Draft Red Herring Prospectus. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short term, could adversely impact our business, growth prospects and future financial performance. In case of oversupply in the industry or lack of demand, we may not be able to utilize our capacity efficiently. Further information relating to capacity utilization of our production facilities included in this Draft Red Herring Prospectus is based on various assumptions and estimates

of our management, 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 of our facilities. Undue reliance should therefore not be placed on our capacity utilization information for our existing facilities included in this Draft Red Herring Prospectus. For further information, see the section titled “**Our Business**” on page 95 of this Draft Red Herring Prospectus.

**40. While our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the Offer for Sale portion, and the Selling Shareholders, shall be entitled to the Offer Proceeds to the extent of the Equity Shares offered by them in the Offer for Sale.**

In addition to the Fresh Issue component from which our Company will receive proceeds, the Offer includes an Offer for Sale by the Selling Shareholder. The Selling Shareholder will receive the entire proceeds from the Offer for Sale (after deducting the applicable Offer Expenses) and our Company will not receive any part of such proceeds from the Offer for Sale. The proceeds from the transfer of the Offered Shares, shall be paid to the Selling Shareholder. Certain members of our Promoter Group are, therefore, interested in the Offer in connection with their respective portion of the Offered Shares. For more information, see “**Objects of the Offer**” on page 66 of this Draft Red Herring Prospectus.

**41. Our Company may not be successful in penetrating new export markets.**

Expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations and the lack of reputation in such regions. In addition, the risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to other government actions; and political, economic and social instability.

**42. We are dependent on our promoters and senior management and other key personnel, and the loss of, or our inability to attract or retain, such persons could affect our business, results of operations, financial condition and cash flows.**

Our performance depends largely on the efforts and abilities of our Promoters and Directors Amrit Lal Manwani, Varun Manwani & Arunima Manwani and other key personnel. They have gained experience in this line of business and have over the years-built relations with suppliers, customers, regulators and other persons who are connected with us and have been actively involved in the day-to-day operations and management. Further we believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for product development activities, procurement of raw materials, successful delivery of products and our overall business operations of our Company. For details in relation to the experience of our key management personnel, see “**Our Management**” on page 125 of this Draft Red Herring Prospectus. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an effect on our business, results of operations, financial condition and cash flows.

**43. Our contingent liabilities as stated in our Restated Financial Statements could affect our financial condition.**

Our Contingent liabilities as on March 31, 2024 were ₹ 4463.81 Lakhs. If these contingent liabilities materialize, fully or partly, the financial condition of our Company could be affected.

(₹ in Lakhs)

Particulars	As at			
	March 31, 2024	March 31, 2023	February 21, 2023	March 31, 2022
	(Company)		(Proprietor)	
Contingent liabilities in respect of:				
Claims against the company not acknowledged as debts	7.14	7.14	-	-
Guarantees given on Behalf of the Company	3250.00	-	-	-
Other commitments	1206.67	-	-	-
<b>Total</b>	<b>4,463.81</b>	<b>7.14</b>	<b>-</b>	<b>-</b>

For more information, regarding our contingent liabilities, please refer “**Note ZE**” in chapter titled “**Financial Information of the Company**” beginning on page 174 of this Draft Red Herring Prospectus.



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

We have secured our lenders by creating a charge over our movable and immovable properties in respect of financial facilities availed by us from Citi Bank Limited. We have been extended such loan against hypothecation of our Company's property and current assets. For further information on the financing and loan agreements along with the total amounts outstanding and the details of the financial facilities, please refer to chapter "**Statement of Financial Indebtedness**" beginning on page 212 of this Draft Red Herring Prospectus.

**45. The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency. The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled "Objects of the Issue".**

The fund requirement and deployment, as mentioned in the "**Objects of the Issue**" on page 66 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter "**Objects of the Issue**" is at the discretion of our Board of Directors and will be subject to monitoring by an external independent agency appointed for the purpose. 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.

**46. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.**

We propose to utilize the Net Proceeds towards investment in our subsidiary, Funding Capital Expenditure towards installation of additional plant and machinery for Expansion, to meet working capital requirements and general corporate purposes. For further details of the proposed objects of the Issue, see "**Objects of the Issue**" beginning on page 66 of this Draft Red Herring Prospectus. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, 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 the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our 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 Promoter will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition, if any, which may adversely affect our business and results of operations.

**47. Industry information included in this Draft Red Herring Prospectus has been derived from industry sources. There can be no assurance that such third-party statistical, financial and other industry information is complete, reliable or accurate.**

This Draft Red Herring Prospectus includes information on Industry in which we operate from various sources. For further details, please see "**Industry Overview**" beginning on page 87 of this Draft Red Herring Prospectus. The data has been furnished by independent agency on their websites and has no relationship with our Company, its Promoters, Directors, or the Book Running Lead Manager as on the date of this Draft Red Herring Prospectus. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

**48. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.**

The proposed fund requirement as detailed in the section titled “*Objects of the Issue*” is to be funded from the proceeds of this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “*Objects of the Offer*” beginning on page 66 of this Draft Red Herring Prospectus.

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

Our Company is engaged in the manufacturing business, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Employee State Insurance and Professional Tax. Any demand or penalty raised by the concerned authority in future for any previous year and current year will have an additional liability. For instance, our company in the past had delayed filing of GST Returns due to operational reasons and accordingly paid late fees and penalties on the same. Any demand or penalty raised by the concerned GST authority for such late filing may affect the financial position of the company.

**50. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows and working capital requirements.**

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “*Dividend Policy*” on page 141 of the Draft Red Herring Prospectus.

**51. Excessive dependence on Citi Bank in respect of Loan facilities obtained by our Company.**

Our company has been sanctioned financial facilities by Citi Bank. The Company is dependent on such facilities and any default under such arrangement with such lender may create problem for operation of the Company, which may affect the financial stability of the Company. At the same time this may result into difficulty in arranging for funds for re-payment and may also adversely affect the financial position of the Company.

Further, we have entered into agreements for availing debt facilities from lenders. Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lenders, 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. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. 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 of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. For further details in this regard, please refer to chapter titled “*Statement of Financial Indebtedness*” beginning on page 212 of this Draft Red Herring Prospectus.

**52. The average cost of acquisition of Equity Shares by our Promoters & selling shareholder may be lower than the Issue price of the Equity Share in the proposed IPO.**

The average cost of acquisition of Equity Shares of our Promoters & selling shareholder may be lower than the Issue price of the Equity Share in the proposed IPO. For further details regarding the average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares of our Promoters in our Company, please see section titled “*Capital Structure*” beginning on page 57 of this Draft Red Herring Prospectus.

**53. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.**

Our promoters along with the promoter group will continue to hold collectively [●] % of the post issue paid up share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholder’s vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters and promoter group will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

**54. *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt - equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy. Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

The issue price of the equity shares has been based on many factors and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "**Basis for Offer Price**" beginning on page 78 of the Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue in case of unfavourable situation it, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

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

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Issue within three (3) Working Days from the Bid/ Issue Closing Date, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Issue or may cause the trading price of our Equity Shares to decline on listing.

## **EXTERNAL RISK FACTORS**

**57. *Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy and could result in a period of sustained instability across global financial markets, induce volatility in commodity prices, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India.

**58. *If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

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

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

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "**Government and Other Approvals**" on page 226 of this Draft Red Herring Prospectus for details of the laws currently applicable to us. The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and services tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Moreover, any change in Indian tax laws could have an effect on our operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

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

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

**62. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares. Foreign ownership of Indian securities is subject to government regulation.***

Under foreign exchange regulations currently in affect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

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

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

**SECTION IV – INTRODUCTION****THE OFFER**

<b>PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Offer of Equity Shares by our Company<sup>(1)(2)</sup></b>	Offer of upto 65,78,000 Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
<b>Consisting of:</b>	
Fresh Issue	Upto 60,78,000 Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating ₹[●] lakhs.
Offer for Sale	Offer for sale by existing shareholder upto 5,00,000 equity shares of ₹10 each at a price of ₹[●] per equity share aggregating to ₹[●] lakhs.
<b>The offer consists of:</b>	
<b>Market Maker Reservation Portion</b>	Upto [●] Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Net Offer to the Public</b>	Upto [●] Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Out of which*</b>	
A. QIB Portion <sup>(3)(4)</sup>	Not more than [●] Equity Shares of ₹ 10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Of which</b>	
i) Anchor Investor Portion	Upto [●] Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
ii) Net QIB Portion ( <i>assuming Anchor Investor Portion is fully subscribed</i> )	Upto [●] Equity Shares of ₹ 10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Of which</b>	
(a) Available for allocation to Mutual Funds only ( <i>5% of the Net QIB Portion</i> )	Upto [●] Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
(b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
B. Non-Institutional Portion	Not less than [●] Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹ [●] Lakhs
C. Retail Portion	Not less than [●] Equity Shares of ₹10 each for cash at a price of ₹[●] (including a Share premium of ₹[●] per Equity Share) per share aggregating to ₹[●] Lakhs
<b>Pre and Post – Offer Equity Shares</b>	
<b>Equity Shares outstanding prior to the Offer</b>	1,89,14,763 Equity Shares of face value of ₹10 each.
<b>Equity Shares outstanding after the Offer</b>	Upto [●] Equity Shares of face value ₹10 each.
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Offer</i> ” on page 66 of this Draft Red Herring Prospectus.

\*Number of shares may need to be adjusted for lot size upon determination of Offer price.

**Notes:**

- The Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Offer is being made by our company in terms of Regulation of 229(2) of SEBI (ICDR) Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the Post – Offer paid up equity share capital of our company are being offered to the public for subscription.
- The Offer has been authorized by the Board of Directors vide a resolution passed at its meeting held on April 09, 2024 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on May 13, 2024.

The Selling Shareholder have consented to participate in the Offer for Sale in the following manner:

Name of the Selling Shareholder	Type	Authorization Letter dated	No. of Equity Shares held	No of Equity Shares offered by way of Offer for Sale	% of the pre-Offer paid-up Equity Share capital
<b>Promoter Selling Shareholder</b>					
Amrit Lal Manwani	Promoter	April 08, 2024	1,79,64,700	5,00,000	2.64%

The Selling Shareholder has confirmed that the Equity Shares proposed to be offered and sold in the Offer are eligible in term of SEBI (ICDR) Regulations, 2018 and that they have not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third-party rights. The Selling Shareholder has also confirmed that he is the legal and beneficial owners of the Equity Shares being offered by him under the Offer for Sale.

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

Our Company and Selling Shareholder, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled "**Offer Procedure**" beginning on page 258 of this Draft Red Herring Prospectus.

**SUMMARY OF OUR FINANCIAL STATEMENTS****ANNEXURE - I****RESTATED STATEMENT OF ASSETS AND LIABILITIES***(₹ in Lakhs)*

PARTICULARS		As at the year ended	
		March 31, 2024	March 31, 2023
A)	<b>EQUITY AND LIABILITIES</b>		
1.	<b>Shareholders' Funds</b>		
(a)	Share Capital	1,891.48	1,796.95
(b)	Reserves & Surplus	4,140.21	230.55
(c)	Share Application Money		-
	<b>Total</b>	<b>6,031.69</b>	<b>2,027.50</b>
2.	<b>Non-Current Liabilities</b>		
(a)	Long Term Borrowings	-	-
(b)	Deferred Tax Liabilities (Net)	-	-
(d)	Long Term Provisions	35.96	26.11
	<b>Total</b>	<b>35.96</b>	<b>26.11</b>
3.	<b>Current Liabilities</b>		
(a)	Short Term Borrowings	2,171.89	689.84
(b)	Trade Payables	-	-
	Due to Micro and small enterprises	220.96	386.53
	Due to Others	1,535.29	905.75
(c)	Other Current Liabilities	680.96	640.88
(d)	Short Term Provisions	127.62	143.62
	<b>Total</b>	<b>4,736.71</b>	<b>2,766.62</b>
	<b>Total</b>	<b>10,804.36</b>	<b>4,820.23</b>
B)	<b>ASSETS</b>		
1.	<b>Non-Current Assets</b>		
(a)	Property, Plant and Equipment and Intangible Assets		
	i) Property, Plant and Equipment	1,336.56	1,136.16
	ii) Intangible Assets	1.60	-
	iii) Capital Work in progress	-	-
(b)	Non-Current Investment	959.00	659.00
(c)	Deferred Tax Assets (Net)	18.24	13.85
(d)	Long Term Loans and Advances	134.08	-
(e)	Other Non-Current Assets	485.97	22.80
	<b>Total</b>	<b>2,935.46</b>	<b>1,831.82</b>
2.	<b>Current Assets</b>		
(a)	Trade Receivables	2,656.69	1,764.74
(b)	Cash and Cash equivalents	1,710.08	316.60
(c)	Inventories	2,108.21	801.69
(d)	Short-Term Loans and Advances	1,357.09	60.05
(e)	Other Current Assets	36.83	45.35
	<b>Total</b>	<b>7,868.90</b>	<b>2988.43</b>
	<b>Total</b>	<b>10,804.36</b>	<b>4,820.23</b>



## ANNEXURE - II

## RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

PARTICULARS		For the year ended on	
		March 31, 2024	March 31, 2023
1	Revenue From operations	10,115.27	1,043.10
2	Other Income	163.52	20.81
3	<b>Total Revenue</b>	<b>10,278.79</b>	<b>1,063.91</b>
4	<b>Expenses</b>		
(a)	Cost of Material Consumed	5,523.54	989.38
(b)	Purchase of Stock in trade	-	-
(c)	Change of Inventories of Work in progress and finished goods	(213.19)	(268.73)
(d)	Employee Benefit Expenses	886.22	52.51
(e)	Finance Costs	107.88	8.57
(f)	Depreciation and Amortisation Expenses	203.32	19.48
(g)	Other Expenses	351.23	23.32
5	<b>Total Expenses</b>	<b>6,859.00</b>	<b>824.53</b>
6	<b>Profit/(Loss) Before Exceptional &amp; Extraordinary items &amp; Tax (3-5)</b>	3,419.79	239.38
7	Exceptional item	-	-
8	<b>Profit/(Loss) Before Extraordinary items &amp; Tax (6-7)</b>	<b>3,419.79</b>	<b>239.38</b>
9	Prior Period Expenses	-	-
10	Extraordinary items	-	-
11	<b>Profit/(Loss) Before Tax (8-9-10)</b>	<b>3,419.79</b>	<b>239.38</b>
12	<b>Tax Expense:</b>		
(a)	Current Tax	597.51	39.96
(b)	Deferred Tax	(4.39)	(13.85)
(c)	Previous year Tax	-	-
(d)	MAT Credit entitlements	(436.10)	(17.27)
(e)	Prior period expenses	-	-
(f)	Excess/ short provision written back/ off	-	-
	<b>Total</b>	<b>157.02</b>	<b>8.83</b>
13	<b>Profit/(Loss) for the Year</b>	<b>3,262.77</b>	<b>230.55</b>

## ANNEXURE-III

## RESTATED STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	For the year ended on	
	March 31, 2024	March 31, 2023
<b>A) Cash Flow From Operating Activities :</b>		
<b>Net Profit before tax as per Statement of Profit &amp; Loss</b>	3,419.79	239.38
Adjustment for :		
Depreciation and amortization Expenses	203.32	19.48
Finance Cost	107.88	8.57
Interest Income	(27.64)	(3.92)
Loss on sales of Assets	0.29	-
<b>Operating profit before working capital changes</b>	<b>3,703.64</b>	<b>263.51</b>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(891.95)	(50.17)
(Increase)/Decrease in Inventory	(1,306.52)	55.60
(Increase)/Decrease in Short Term Loans & Advances	(1,297.04)	110.77
(Increase)/Decrease in Other Current Assets	(13.85)	(22.98)
Increase/(Decrease) in Trade Payables	463.97	55.30
Increase/(Decrease) in Other Current Liabilities	40.08	238.05
Increase/(Decrease) in Short Term Provisions, etc	(18.70)	(467.53)
<b>Cash generated from operations</b>	<b>679.62</b>	<b>182.56</b>
Less:- Income Taxes paid	584.96	-
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>94.66</b>
<b>B) Cash Flow From Investing Activities :</b>		
Purchase of Fixed Assets including of CWIP	(485.18)	(13.53)
Sale of property	79.27	-
Loans & Advances given/ repayment	(134.08)	87.66
Investment made/ sold during the period	(300.00)	-
(Increase)/Decrease in Non- Current Assets	(26.80)	(5.53)
Interest Income	27.64	3.92
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(839.15)</b>
<b>C) Cash Flow From Financing Activities :</b>		
Proceeds from Issue of Share Capital	1,931.81	0.51
Dividend Paid	(1,168.02)	-
Borrowings taken/ repaid during the period	1,482.05	(108.76)
Finance Cost	(107.88)	(8.57)
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>(116.82)</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>(A+B+C)</b>	<b>138.27</b>
Cash equivalents at the beginning of the year	316.60	178.33
<b>Cash equivalents at the end of the year</b>	<b>1,710.08</b>	<b>316.60</b>

Notes:-

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
<b>Component of Cash and Cash equivalents</b>		
Cash on hand	0.68	1.11
Balance With banks	609.40	184.66
Fixed Deposits	1,100.00	130.83
<b>Total</b>	<b>1,710.08</b>	<b>316.60</b>

**GENERAL INFORMATION****Brief Summary:**

Our Company was incorporated as Limited Company in the name of “Sahasra Electronic Solutions Limited” under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated February 22, 2023 issued by Registrar of Companies, Central Registration Centre bearing Corporate Identity Number U26202DL2023PLC410521. At the time of incorporation our company has taken over the running business of proprietorship concern of the promoter Amrit Lal Manwani, namely M/s Sahasra Electronic Solutions along with the assets and liabilities of the proprietorship concern as going concern.

Amrit Lal Manwani, Arunima Manwani, Varun Manwani, Varsha B P Manwani, Akshay Manwani, Narayan Belbase and Pintu Naskar were the initial subscribers to the Memorandum of Association of our Company.

For further details, please refer to chapter titled “*History and Corporate Structure*” beginning on page 119 of this Draft Red Herring Prospectus.

<b>Registered Office</b>	<b>Sahasra Electronic Solutions Limited</b> 33, Pocket 1, Jasola Vihar New Friends Colony, South Delhi-110025, New Delhi, India. <b>Tel. No.:</b> +91-120-4202604 <b>Email:</b> <a href="mailto:contact@seslimited.in">contact@seslimited.in</a> <b>Website:</b> <a href="http://www.seslimited.in">www.seslimited.in</a> <b>CIN:</b> U26202DL2023PLC410521 <b>Registration No.:</b> 410521
<b>Corporate Office/ Manufacturing Unit</b>	<b>Sahasra Electronic Solutions Limited</b> 68-AA Noida Special Economic Zone, Nepz Post Office, Gautam Buddha Nagar, Noida-201305, Uttar Pradesh, India. <b>Tel. No.:</b> +91-120-4202604 <b>Email:</b> <a href="mailto:contact@seslimited.in">contact@seslimited.in</a> <b>Website:</b> <a href="http://www.seslimited.in">www.seslimited.in</a> <b>CIN:</b> U26202DL2023PLC410521 <b>Registration No.:</b> 410521
<b>Address of the RoC</b>	<b>Registrar of Companies, Delhi</b> 4 <sup>th</sup> Floor, IFCI Tower 61, Nehru Place, New Delhi 110 019, India.

**Board of Directors:**

The Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus consists of:

S. No.	Name of Directors	Designation	Address	DIN
1.	Amrit Lal Manwani	Chairman & Managing Director	33, Pocket I, Jasola, South Delhi-110025 India.	00920206
2.	Arunima Manwani	Executive Director	33, Jasola, Pocket 1, South Delhi-110025, India.	06996141
3.	Varun Manwani	Non-Executive Director	33, Jasola, Pocket 1, South Delhi-110025, India.	00921735
4.	Abhilasha Gaur	Independent Director	Flat No.330, Block S2 Raheja Society, Sector -31, Sadar Bazar, Gurgaon-122001, Haryana, India.	07607862
5.	Pradeep Kumar	Independent Director	93, Anupam Apartments B-13 Vasundhara Enclave, Delhi East-110096, India.	00505518
6.	Udayan Mukerji	Independent Director	C-12, Chirag Enclave, Near Nehru Place, Greater Kailash-1, South Delhi-110048, India	03636654

For further details in relation to our directors, please refer to chapter titled “*Our Management*” on page 125 of this Draft Red Herring Prospectus.

Chief Financial Officer	Company Secretary & Compliance Officer
<b>Maneesh Tiwari</b> <b>Sahasra Electronic Solutions Limited</b> 68-AA Noida Special Economic Zone, Nepz Post Office, Gautam Buddha Nagar, Noida-201305, Uttar Pradesh, India. <b>Tel. No.:</b> +91-120-4202604 <b>Email:</b> <a href="mailto:maneesh@sahasraelectronics.com">maneesh@sahasraelectronics.com</a> <b>Website:</b> <a href="http://www.seslimited.in">www.seslimited.in</a>	<b>Neha Tahir</b> <b>Sahasra Electronic Solutions Limited</b> 68-AA Noida Special Economic Zone, Nepz Post Office, Gautam Buddha Nagar, Noida-201305, Uttar Pradesh, India. <b>Tel. No.:</b> +91-120-4202604 <b>Email:</b> <a href="mailto:cs@sahasraelectronics.com">cs@sahasraelectronics.com</a> <b>Website:</b> <a href="http://www.seslimited.in">www.seslimited.in</a>

**Investor Grievances:**

**Investors can contact the Company Secretary and Compliance Officer, the BRLM or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, noncredit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.**

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

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

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

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

**Details of Key Intermediaries pertaining to this Offer and our Company:**

<b>Book Running Lead Manager to the Offer</b>	<b>Legal Advisor to the Offer</b>
<b>Hem Securities Limited</b> <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India. <b>Tel No.:</b> +91-22-4906 0000 <b>Email:</b> <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Sourabh Garg <b>SEBI Reg. No.:</b> INM000010981	<b>Mindspright Legal</b> <b>Address:</b> 712-714, C-Wing, Trade World, Kamla City, Senapati Bapat Marg, Lower Parel (West), Mumbai-400013, Maharashtra, India <b>Contact Person:</b> Richa Bhansali <b>Tel No.:</b> +91-022- 42197000 <b>Email:</b> <a href="mailto:ipo@mindspright.co.in">ipo@mindspright.co.in</a> <b>Website:</b> <a href="https://mindspright.co.in">https://mindspright.co.in</a>
<b>Registrar to the Offer</b>	<b>Statutory Auditor</b>
<b>Bigshare Services Private Limited</b> <b>Address:</b> S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai-400093, Maharashtra India. <b>Tel No.:</b> +91 22 6263 8200 <b>Fax No.:</b> +91 22 6263 8299 <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Contact Person:</b> Vinayak Morbale <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>SEBI Reg. No.:</b> INR000001385	<b>M/s. Kapoor Tandon &amp; Co.</b> <b>Chartered Accountants,</b> <b>Address:</b> D-104, 10th Floor, Himalaya House, 23, Kasturba Gandhi Marg New Delhi-110001, India. <b>Tel No.:</b> +91-512-2361244 <b>Email:</b> <a href="mailto:devendra_mathur@yahoo.co.in">devendra_mathur@yahoo.co.in</a> <b>Firm Registration No.:</b> 000952C <b>Membership No:</b> 082570 <b>Contact Person:</b> Devendra S. Mathur <b>Peer Review Certificate No.:</b> 016174
<b>Bankers to our Company</b>	<b>Monitoring Agency*</b>
<b>Citi Bank N.A.</b> <b>Address:</b> 9 <sup>th</sup> Floor, DLF Square, M Block, Jacaranda Marg, DLF City, Phase II, Gurgaon-122002 <b>Tel:</b> +91-88263-87261 <b>Email:</b> <a href="mailto:japnit.walia@citi.com">japnit.walia@citi.com</a> <b>Website:</b> <a href="http://www.citi.com">www.citi.com</a> <b>Contact Person:</b> Japnit Walia	[•]
<b>Bankers to the Offer/ Refund Banker/Sponsor Bank*</b>	<b>Syndicate Member*</b>
[•]	[•]

\*The Monitoring Agency, Banker to the Offer (Sponsor Bank) and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus/ Prospectus with the Registrar of Companies.

## **Designated Intermediaries:**

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

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

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs/ mobile applications whose name appears on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) at the following path: Home >> Intermediaries/Market Infrastructure Institutions >> Recognized intermediaries >> Self- Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investor shall ensure that when applying in IPO using UPI, the name of his Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

### **Syndicate SCSB Branches**

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at Specified Locations, refer to the above-mentioned SEBI link.

### **Registered Brokers**

Bidders can submit Bid cum Application Forms in the Offer using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and email address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

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

The list of the Registrar to Offer and Share Transfer Agents (RTAs) eligible to accept Bid cum 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 (CDP's)**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), as updated from time to time.

### **Brokers to the Offer**

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

### **Experts Opinion**

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

Except for the reports in the section “*Statement of Special Tax Benefits*”, “*Financial Information of the Company*” “*Statement of Financial Indebtedness*” on page 84, 142 and 212 respectively of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor for inclusion of their name in this Draft Red Herring Prospectus, and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “**expert**” shall not be construed to mean an “**expert**” as defined under the U.S. Securities Act, 1933.

### **Inter-se Allocation of Responsibilities**

Since, Hem Securities Limited is the sole Book Running Lead Manager to this Offer, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

### **Appraisal and Monitoring Agency**

As per SEBI (ICDR) Regulations, 2018, appointment of monitoring agency is required only if Issue size exceeds ₹ 10,000 Lakh. As the size of the Issue exceeds ₹ 10,000 Lakh, our Company has appointed [●] as the Monitoring Agency to monitor the utilisation of the Net Proceeds, in accordance with Regulation 262 of the SEBI ICDR Regulations. For details in relation to the proposed utilisation of the Net Proceeds, see “*Objects of the Offer*” on page 66 of this Draft Red Herring Prospectus.

### **Green Shoe Option**

No Green Shoe Option is applicable for this Offer.

### **Credit Rating**

As this is an Offer of Equity Shares, there is no credit rating for the Offer.

### **IPO Grading**

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

### **Debenture Trustees**

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

### **Filing of Draft Offer Documents/ Offer Documents with the Designated Stock Exchange/ SEBI/ ROC**

The Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Draft Red Herring Prospectus in terms of Regulation 246(2) of 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 Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>

A copy of the Red Herring Prospectus along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at <http://www.mca.gov.in>.

### **Book Building Process**

Book Building, with reference to the Offer, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Delhi Edition of Regional newspaper [●] where our registered office is situated at least two working days prior to the Bid/ Offer Opening date. The Offer Price shall be determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Offer Closing Date. Principal parties involved in the Book Building Process are:-

- Our Company;
- The Book Running Lead Manager in this case being Hem Securities Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with National Stock Exchange of India Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Offer and;
- The Designated Intermediaries and Sponsor bank

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

The Offer is being made through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder, in consultation with the BRLM allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the “**Anchor Investor Portion**”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available

for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Offer Price. All potential Bidders may participate in the Offer through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Offer. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company and the Selling Shareholder in consultation with the BRLM and the Designated Stock Exchange.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.**

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor 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 may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “*Offer Procedure*” beginning on page 258 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “*Offer Procedure*” on page 258 of this Draft Red Herring Prospectus.

#### **Illustration of the Book Building and Price Discovery Process:**

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled “*Offer Procedure*” on page 258 of this Draft Red Herring Prospectus.

#### **Bid/ Offer Program:**

<b>Event</b>	<b>Indicative Dates</b>
Bid/ Offer Opening Date	[●] <sup>(1)</sup>
Bid/ Offer Closing Date	[●] <sup>(2)</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2)	On or about [●]
Credit of Equity Shares to Demat accounts of Allottees (T+2)	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	On or about [●]

<sup>(1)</sup> Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI (ICDR) Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI (ICDR) Regulations.

<sup>(2)</sup> Our Company and the Selling Shareholder, in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI (ICDR) Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/ Offer Closing

Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Offer Period (except for the Bid/ Offer Closing Date). On the Bid/ Offer Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 3.00 P.M. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidder on Bid/Offer Closing Date maybe extended in consultation with the BRLM, RTA and NSE taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Offer Closing Date, as is typically experienced in public Offer, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

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

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

### Underwriting

The Company and the Book Running Lead Manager to the Offer hereby confirm that the Offer will be 100% Underwritten by the Underwriter [●] in the capacity of Underwriter to the Offer.

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

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Offer Size Underwritten
[●]	[●]	[●]	[●]

\*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, [●] in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

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

### Change in Auditors during the last three (3) years

Except as stated below, there have been no changes in our Company's auditors in the last three (3) years:

Details of Statutory Auditor	Date of Change	Reason
<b>Jain Pramod Jain &amp; Co.</b> <b>Chartered Accountants,</b> <b>Address:</b> F-591, Sarita Vihar, New Delhi – 110076, Delhi <b>Tel. No.:</b> +91-120-41401901 <b>Email Id.:</b> <a href="mailto:jainpjco@gmail.com">jainpjco@gmail.com</a> <b>Contact Person:</b> Pramod Kumar Jain <b>Firm Reg. No.:</b> 016746N	November 30, 2023	Due to Merger of firm with P.K. Gaur & Associates vide Merger Agreement dated December 01, 2023. Further, the name of the firm has been changed to P K M B & Co.



Details of Statutory Auditor	Date of Change	Reason
<b>P K M B &amp; Co.</b> <b>Chartered Accountants,</b> <b>Address:</b> Suite#4G, Uppal's M6 Plaza, Jasola District Centre, Delhi- 110025, New Delhi <b>Tel. No.:</b> +91- 9910103832 <b>Email Id.:</b> <a href="mailto:jainpjco@gmail.com">jainpjco@gmail.com</a> <b>Contact Person:</b> Pramod Kumar Jain <b>Firm Reg. No.:</b> 005311N	December 20, 2023	
<b>P K M B &amp; Co.</b> <b>Chartered Accountants,</b> <b>Address:</b> Suite#4G, Uppal's M6 Plaza, Jasola District Centre, Delhi- 110025, New Delhi <b>Tel. No.:</b> +91- 9910103832 <b>Email Id.:</b> <a href="mailto:jainpjco@gmail.com">jainpjco@gmail.com</a> <b>Contact Person:</b> Pramod Kumar Jain <b>Firm Reg. No.:</b> 005311N	April 25, 2024	Resignation due to professional preoccupation.
<b>Kapoor Tandon &amp; Co.</b> <b>Chartered Accountants.</b> <b>Address:</b> D-104, 10th Floor, Himalaya House, 23, Kasturba Gandhi Marg New Delhi-110001, India <b>Tel No.:</b> +91-512-2361244 <b>Email:</b> <a href="mailto:devendra_mathur@yahoo.co.in">devendra_mathur@yahoo.co.in</a> <b>Contact Person:</b> Devendra S. Mathur <b>Firm Reg. No.:</b> 000952C <b>Peer Review Certificate No.:</b> 016174	May 13, 2024	Appointment of Auditor in Casual Vacancy

#### Details of the Market Making arrangement for this Offer

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

<b>Name</b>	[●]
<b>Correspondence Address:</b>	[●]
<b>Tel No.:</b>	[●]
<b>E-mail:</b>	[●]
<b>Website:</b>	[●]
<b>Contact Person:</b>	[●]
<b>SEBI Registration No.:</b>	[●]
<b>Market Maker Registration No.</b>	[●]

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

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

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered 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 the NSE (SME platform of NSE) and SEBI from time to time.
- The minimum depth of the quote shall be ₹1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) 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.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of NSE (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the SME platform of NSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Offer Size. Any Equity Shares allotted to Market Maker under this Offer over and above 25% of Offer Size would not be taken in to consideration of computing the threshold of 25% of

Offer Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Offer Size, the Market Maker will resume providing 2-way quotes.

- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the BRLM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.
- **Risk containment measures and monitoring for Market Makers:** Stock Exchange will have all margins, which are applicable on NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** SME Platform of NSE will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- 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

Offer Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Offer Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Offer 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 SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

#### **Withdrawal of the Offer**

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

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

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

Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

**CAPITAL STRUCTURE**

The Share capital of our company as at the date of this Draft Red Herring Prospectus is set forth below:

(₹ in Lakhs, except share data)			
Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Offer Price
A	<b>Authorized Share Capital</b> 2,50,00,000 Equity Shares having Face Value of ₹ 10/- each	2,500.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Offer</b> 1,89,14,763 Equity Shares having Face Value of ₹ 10/- each	1,891.48	-
C	<b>Present Offer in terms of this Draft Red Herring Prospectus*</b> Upto 65,78,000 Equity Shares having Face Value of ₹ 10/-each at a price of ₹ [●] per share	657.80	[●]
	<b>Consisting of:</b>		
	Fresh Issue of upto 60,78,000 Equity Shares of face value of ₹ 10/-each at a Premium of ₹ [●] per share	607.80	[●]
	Offer for Sale of upto 5,00,000 Equity Shares of face value of ₹ 10/-each at a Premium of ₹ [●] per share	50.00	[●]
	<b>Which comprises of:</b>		
D	<b>Reservation for Market Maker Portion</b> Upto [●] Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	<b>Net Offer to Public</b> Net Offer to Public of [●] Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share to the Public	[●]	[●]
	<b>Of which:</b>		
	i. At least [●] Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
	ii. At least [●] Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	iii. Not more than [●] Equity Shares aggregating up to ₹ [●] lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. of which shall be allocated to mutual funds.	[●]	[●]
F	<b>Issued, Subscribed and Paid-up Equity Share Capital after the Offer</b> [●] Equity Shares of face value of ₹ 10/- each		[●]
G	<b>Securities Premium Account</b>		
	Before the Offer (as on date of this Draft Red Herring Prospectus)	1,814.90	
	After the Offer		[●]

\*The Present Offer of upto 65,78,000 Equity Shares in terms of this Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated April 09, 2024 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of the members held on May 13, 2024

\*The Offer for Sale has been authorized by the Selling Shareholder by authorization letter dated April 08, 2024

Sr. No.	Name of the Selling Shareholder	No of Equity Shares offered	% of the pre-Offer paid-up Equity Share capital
<b>Promoter Selling Shareholder</b>			
1.	Amrit Lal Manwani	5,00,000	2.64

Allocation to all categories shall be made on a proportionate basis subject to valid Applications received. Under subscription, if any, in any of the categories (except for the QIB Portion), would be allowed to be met with spill-over from any of the other categories. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

**Classes of Shares:**

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

**NOTES TO THE CAPITAL STRUCTURE:****1. Changes in Authorized Equity Share Capital of our Company:**

Sr. No.	Particulars	Cumulative No. of Equity Shares	Face Value of Equity Share	Cumulative Authorized Share Capital (₹ in lakhs)	Date of Meeting	Whether AGM/ EGM
1.	On incorporation	2,50,00,000	10/-	2,500.00	Upon Incorporation	N.A.

## 2. Equity Share Capital History of our Company:

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

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid-up Capital (₹)
Upon Incorporation	1,79,69,500	10/-	10/-	Partly Cash & Partly other than cash	Subscription to MOA <sup>(i)</sup>	1,79,69,500	-	17,96,95,000
February 16, 2024	6,80,591	10/-	202/-	Cash	Private Placement <sup>(ii)</sup>	1,86,50,091	13,06,73,472	18,65,00,910
February 29, 2024	2,64,672	10/-	202/-	Cash	Private Placement <sup>(iii)</sup>	1,89,14,763	18,14,90,496	18,91,47,630

All the above-mentioned shares are fully paid up since the date of allotment.

(i) Initial Subscribers to the Memorandum of Association subscribed 1,79,69,500 Equity Shares of Face Value of ₹ 10/- each, details of which are given below:

Sr. No.	Name of Subscribers	Number of Shares Subscribed
1.	Amrit Lal Manwani	1,79,64,500
2.	Varun Manwani	1,200
3.	Arunima Manwani	1,200
4.	Varsha B P Manwani	1,200
5.	Akshay Manwani	1,200
6.	Narayan Belbase	100
7.	Pintu Naskar	100
<b>Total</b>		<b>1,79,69,500</b>

(ii) Allotment of 6,80,591 Equity Shares of Face Value of ₹ 10/- each on Private Placement basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	India Ahead Venture Fund	1,89,053
2.	Anchorage Capital Fund - Anchorage Capital Scheme II	1,89,053
3.	Negen Undiscovered Value Fund	94,526
4.	Finavenue Capital Trust - Finavenue Growth Fund	56,716
5.	Nikhil Ramesh Jaisinghani	56,716
6.	VPK Global Ventures Fund - VPK Global Ventures Fund - Scheme 1	37,811
7.	Monika Garware	37,811
8.	Vicco Products Bombay Pvt Ltd	18,905
<b>Total</b>		<b>6,80,591</b>

(iii) Allotment of 2,64,672 Equity Shares of Face Value of ₹ 10/- each on Private Placement basis as per details given below:

Sr. No.	Name of Allottees	Number of Shares Allotted
1.	Madhusudan Murlidhar Kela	94,526
2.	Amit Dalmia	28,358
3.	Deepak Dalmia	28,358
4.	Shubhra Parakh	18,905
5.	Snehal Parakh	18,905
6.	Khushboo Parakh	18,905
7.	Khushboo Siddharth Nahar	18,905
8.	Vinod Kumar Lodha	18,905
9.	Arun Kumar Kothari	18,905
<b>Total</b>		<b>2,64,672</b>

b) As on the date of this Draft Red Herring Prospectus, our Company does not have any Preference Share Capital.

3. Except as mentioned in point number 2(i), 2(ii) and 2(iii) above, the Company has not issued any Equity Share in the last two years preceding the date of the Draft Red Herring Prospectus.

4. Issue of Equity Shares for consideration other than cash:

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

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
Upon Incorporation	1,77,40,781	10.00	10.00	Pursuant to the acquisition of M/s Sahasra Electronic Solutions	Acquisition of the running business of M/s Sahasra Electronic Solutions	Amrit Lal Manwani	1,77,40,781
						<b>TOTAL</b>	<b>1,77,40,781</b>

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013.

6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.

7. Except for Private Placement made on February 16, 2024 and February 29, 2024, mentioned in point number 2(ii) and 2(iii) above, our Company has not issued Equity shares at price below the Offer price within last one year from the date of the Draft Red Herring Prospectus.

8. We have not revalued our assets since inception and have not issued any Equity Shares by capitalizing any revaluation reserves.

9. **Shareholding Pattern of the Company**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as on the date of this Draft Red Herring Prospectus:

**I - Our Shareholding Pattern:-**

Category	Category of shareholder	Nos. of shareholders	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of ₹10/- each^	Class eg: y	Total								
I	II	III	IV	V	VI	VII= IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII	XIV		
(A)	Promoters & Promoter Group	5	1,79,69,500	-	-	1,79,69,500	95.00	1,79,69,500	-	1,79,69,500	95.00	-	-	-	-	-	1,79,69,500	
(B)	Public	17	9,45,263	-	-	9,45,263	05.00	9,45,263	-	9,45,263	05.00	-	-	-	-	-	9,45,263	
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<b>Total</b>	<b>22</b>	<b>1,89,14,763</b>	-	-	<b>1,89,14,763</b>	<b>100.00</b>	<b>1,89,14,763</b>	-	<b>1,89,14,763</b>	<b>100.00</b>	-	-	-	-	-	<b>1,89,14,763</b>	

The term "Encumbrance" has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

**Notes:**

- As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.
- We have only one class of Equity Shares of face value of ₹ 10/- each.
- We have entered into tripartite agreement dated September 25, 2023 and February 28, 2024 with NSDL & CDSL respectively.
- Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the NSE before commencement of trading of such Equity Shares.

**10. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company:-**

a) As on the date of filing of this Draft Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Offer paid up Share Capital
1.	Amrit Lal Manwani	1,79,64,700	94.98
	<b>Total</b>	<b>1,79,64,700</b>	<b>94.98</b>

b) Ten days prior to the date of filing of this Draft Red Herring Prospectus:-

Sr. No.	Names of Shareholders	Shares held (Face Value of ₹ 10 each)	% Pre-Offer paid up Share Capital
1.	Amrit Lal Manwani	1,79,64,600	94.98
	<b>Total</b>	<b>1,79,64,600</b>	<b>94.98</b>

c) One Year prior to the date of filing of this Draft Red Herring Prospectus:-

Sr. No.	Names of Shareholders*	Shares held (Face Value of ₹ 10 each)	% Pre-Offer paid up Share Capital
1.	Amrit Lal Manwani	1,79,64,500	99.97
	<b>Total</b>	<b>1,79,64,500</b>	<b>99.97</b>

\*Details of shares held on June 25, 2023 and percentage held has been calculated based on the paid-up capital of our Company as on June 25, 2023.

d) Two Years prior to the date of filing of this Draft Red Herring Prospectus:

Our Company incorporated on February 22, 2023 viz. less than two years prior to the date of filing of the Draft Red Herring Prospectus. Hence, requirement of disclosing the list of shareholders prior to two years from the date of filing of the Draft Red Herring Prospectus, is not applicable on us.

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Offer. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split/ consolidation of the denomination of Equity Shares. However, our Company may further issue Equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

**13. Capital Build-up in respect of Shareholding of our Promoters**

As on the date of this Draft Red Herring Prospectus, Our Promoter, Amrit Lal Manwani, Varun Manwani and Arunima Manwani collectively holds 1,79,67,100 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Offer Shareholding %	Post-Offer Shareholding %
<b>Amrit Lal Manwani</b>							
On Incorporation	1,79,64,500	10	10	Partly Cash & Partly other than cash	Subscription to MOA	94.98	[●]
May 17, 2024	100	10	10	Cash	Acquisition by way of transfer of shares <sup>(i)</sup>	Negligible	[●]
June 05, 2024	100	10	10	Cash	Acquisition by	Negligible	[●]



Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Consideration	Nature of Issue	Pre-Offer Shareholding %	Post-Offer Shareholding %
					way of transfer of shares <sup>(ii)</sup>		
<b>Total (A)</b>	<b>1,79,64,700</b>					<b>94.98</b>	<b>[●]</b>
<b>Varun Manwani</b>							
On Incorporation	1,200	10	10	12,000	Subscription to MOA	0.01	[●]
<b>Total (B)</b>	<b>1,200</b>					<b>0.01</b>	
<b>Arunima Manwani</b>							
On Incorporation	1,200	10	10	12,000	Subscription to MOA	0.01	[●]
<b>Total (C)</b>	<b>1,200</b>					<b>0.01</b>	
<b>Grand Total (A+B+C)</b>	<b>1,79,67,100</b>					<b>94.99</b>	<b>[●]</b>

Note: None of the Shares have been pledged by our Promoters.

(i) Details of acquisition of 100 Equity shares by Amrit Lal Manwani:

S. No.	Date of Transfer	Name of Transferor	No. of share transfer
1.	May 17, 2024	Narayan Belbase	100
		<b>TOTAL</b>	<b>100</b>

(i) Details of acquisition of 100 Equity shares by Amrit Lal Manwani:

S. No.	Date of Transfer	Name of Transferor	No. of share transfer
1.	June 05, 2024	Pintu Naskar	100
		<b>TOTAL</b>	<b>100</b>

14. The average cost of acquisition or subscription of shares by our Promoters is set forth in the table below:

Sr. No.	Name of the Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Amrit Lal Manwani	1,79,64,700	10.00
2.	Arunima Manwani	1,200	10.00
3.	Varun Manwani	1,200	10.00

15. Shareholding of Promoters & Promoter Group

Following are the details of pre and post Offer shareholding of persons belonging to the category “Promoters & Promoter Group”:

Sr. No.	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
<b>Promoters (A)</b>					
1.	Amrit Lal Manwani	1,79,64,700	94.98	[●]	[●]
2.	Varun Manwani	1,200	0.01	[●]	[●]
3.	Arunima Manwani	1,200	0.01	[●]	[●]
	<b>Sub Total (A)</b>	<b>1,79,67,100</b>	<b>94.99</b>	<b>[●]</b>	<b>[●]</b>
<b>Promoter Group (B)</b>					
4.	Varsha B P Manwani	1,200	0.01	[●]	[●]
5.	Akshay Manwani	1,200	0.01	[●]	[●]
	<b>Sub Total (B)</b>	<b>2,400</b>	<b>0.02</b>	<b>[●]</b>	<b>[●]</b>
	<b>Total (A) + (B)</b>	<b>1,79,69,500</b>	<b>95.00</b>	<b>[●]</b>	<b>[●]</b>

16. Except as provided below, no Equity Shares were acquired/ purchased/ sold by the Promoters & Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Date of Allotment/ Transfer	Name of Shareholder	No. of Equity Share	% of Pre issue Capital	Allotment/ Acquire/ Transfer	Category of Allottees(Promoters/ Promoter Group/ Director)
May 17, 2024	Amrit Lal Manwani	100	Negligible	Acquire	Promoter/ Director
June 05, 2024	Amrit Lal Manwani	100	Negligible	Acquire	Promoter/ Director

17. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

#### 18. Details of Promoters' Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post Offer capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoters Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Offer. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 1,79,67,100 Equity Shares constituting [●] % of the post-issued, subscribed and paid-up Equity Share Capital of our Company, which are eligible for the Promoters' contribution.

Our Promoters, Amrit Lal Manwani, Varun Manwani and Arunima Manwani, have given written consent to include 1,79,67,100 Equity Shares held by them and subscribed by them as part of Promoters Contribution constituting [●] % of the post Offer Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution, for a period of three years from the date of allotment in the Offer.

Date of Allotment/ Transfer and made fully Paid Up	No. of Equity Shares locked-in	Face Value Per Share (₹)	Issue/Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Offer Shareholding %	Lock in Period
<b>Amrit Lal Manwani</b>						
February 22, 2023	50,30,000	10	10	Subscription to MOA	[●]	3 years
<b>Total</b>	<b>50,30,000</b>				[●]	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "**Promoter**" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Offer.

The entire pre-Offer shareholding of the Promoters & Promoter Group, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Offer.

#### Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237(1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the Offer price, against funds brought in by them during that period, in case	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>

Reg. No.	Promoters' Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoters have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>

#### Details of Promoters' Contribution Locked-in for One Year

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 1,33,84,763 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Offer.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the Ratio of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

#### Other requirements in respect of lock-in:

1. In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the offer.
  2. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Offer may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
  3. Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the Promoter Group or a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
19. Neither, we nor our Promoters, Directors and the BRLM to this Offer have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.
  20. As on the date of this Draft Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire Offer price in respect of the Offer is payable on application, all the successful applicants will be allotted fully paid-up Equity Shares.
  21. The BRLM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus.
  22. As on the date of this Draft Red Herring Prospectus, we do not have any Employees Stock Option Scheme/ Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed Offer. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
  23. We have 22 (Twenty-Two) shareholders as on the date of filing of this Draft Red Herring Prospectus.

24. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
25. Our Company has not raised any bridge loan against the proceeds of the Offer.
26. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.
27. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of offer.
28. An over-subscription to the extent of 1% of the Offer, subject to the maximum post Offer paid up capital of ₹25 Cr., can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Offer. Consequently, the actual allotment may go up by a maximum of 1% of the Offer, as a result of which, the post-Offer paid up capital after the Offer would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3-year lock- in shall be suitably increased; so as to ensure that 20% of the post Offer paid-up capital is locked in .
29. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
30. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
31. There are no Equity Shares against which depository receipts have been issued.
32. Other than the Equity Shares, there is no other class of securities issued by our Company.
33. There are no safety net arrangements for this public Offer.
34. As per RBI regulations, OCBs are not allowed to participate in this Offer.
35. Our Promoters & Promoter Group will not participate in this Offer.
36. This Offer is being made through Book Building Process.
37. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
38. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Offer is being made for at least 25% of the post-Offer paid-up Equity Shares Share capital of our Company. Further, this Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
39. No person connected with the Offer shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
40. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus with the Registrar of companies and the Offer Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

**OBJECTS OF THE OFFER**

The Offer includes a fresh issue of upto 60,78,000 Equity Shares and Offer for Sale of 5,00,000 equity shares by the selling shareholder of our Company at an offer Price of ₹ [●] per Equity Share.

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the NSE Emerge (SME Platform). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

**Offer for Sale**

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder. Selling Shareholder will be entitled to the respective proportion of the proceeds of the Offer for Sale after deducting their portion of the Offer related expenses and relevant taxes thereon. Other than the listing fees all cost, fees and expenses in respect of the Offer will be shared amongst our Company and Selling Shareholder, respectively, in proportion to the proceeds received for the Fresh issue and their respective portion of Offered Shares, as may be applicable, upon the successful completion of the Offer.

**Fresh Issue**

Our Company proposes to utilize the funds which are being raised through the Fresh Issue, up to ₹ [●] lakhs, after deducting the Offer related expenses to the extent payable by our Company with respect to the Fresh Issue, towards funding the following objects:

1. Funding Capital Expenditure towards installation of additional plant and machinery at new manufacturing facility situated at Bhiwadi, Rajasthan;
2. Investment in our Subsidiary, Sahasra Semiconductors Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery;
3. To Meet Working Capital Requirements;
4. General Corporate Purposes.

(Collectively referred as the “Objects”)

**Net Proceeds**

The details of the Net Proceeds are set forth below:

Sr. No	Particulars	Amt (₹ in Lakhs)
1.	Gross Proceeds of the Offer	[●]
2.	Less: Offer related expenses in relation to Offer*	[●]
3.	Net Proceeds	[●]

\*Except for the Listing fees, which will be borne by our Company, all other expenses relating to the Offer as mentioned above will be borne by our Company and the Selling Shareholder in proportion to the Equity Shares contributed / issued in the offer

**Requirement of Funds and Utilization of Net Proceeds**

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

(₹ in Lakhs)

Sr. No	Particulars	Amount
1.	Funding Capital Expenditure towards installation of additional plant and machinery at new manufacturing facility situated at Bhiwadi, Rajasthan	6,028.04
2.	Investment in our Subsidiary, Sahasra Semiconductors Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery	2,542.30
3.	To Meet Working Capital Requirements	[●]
4.	General Corporate Purposes.	[●]
	<b>Total</b>	[●]

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

**Means of Finance**

We intend to finance our Objects of Offer through Net Offer Proceeds which is as follows:

Sr. No	Particulars	Amt (₹ in Lakhs)
1.	Net Offer Proceeds	[●]
	<b>Total</b>	[●]

*Since, the entire fund requirements are to be funded from the proceeds of the Offer, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI (ICDR) Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Offer.*

Subject to applicable law, if the actual utilization towards the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising the requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking additional debt from existing and/or future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purpose set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in the Fresh Issue. Any variation in the utilisation of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company. The Objects may be varied in the manner provided in “*Objects of the Offer – Variation in Objects*” on page 66 of this Draft Red Herring Prospectus. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Offer Proceeds.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company’s historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company’s management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled “*Risk Factors*” beginning on page 25 of this Draft Red Herring Prospectus.

#### Details of Utilization of Net Proceeds

The details of utilization of the Net Proceeds are set forth herein below:

#### 1. Funding capital expenditure towards installation of additional plant and machinery at new manufacturing facility situated at Bhiwadi, Rajasthan.

As on the date of this Draft Red Herring Prospectus, our existing factory unit is located at 68AA, Noida Special Economic Zone, Nepz Post Office, Gautam Buddha Nagar, Noida – 201305, Uttar Pradesh, India, admeasuring the total land area of 1,000 sq. mtr. As a part of our strategy, we intend to expand our operations, we therefore intend to utilize a part of the Net Proceeds amounting to ₹ 6,028.04 Lakhs towards setting up of a new manufacturing unit at Plot no B-3/1, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar-301019, Rajasthan. We have entered into sub-lease deed dated June 15, 2024, with Sahasra Electronics Private Limited, our Group Company, for the period of 5 years for setting up of proposed factory unit, admeasuring the total area of 1500 sq. mtr. The proposed plant and machineries are envisaged to be set up at Plot no B-3/1, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar-301019, Rajasthan.

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 and valid quotations from suppliers, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution or any other independent agency.

#### Estimated Cost:

Company proposes to acquire and install machinery i.e. SMT Line Equipments, testing and inspection machines at an estimated cost of ₹ 6,028.04 Lakhs for which we are yet to place the order. The detailed of machinery to be acquired by Company is provided below:

S. No.	Machinery details	Qty.	Quotation details	Quotation amt.
1.	Precision Solder Paste printer Model: Fuji GPX-CL - 1050*864 <-> 736 x 736 mm	2	Quotation dated May 08, 2024 from NMTronics (India) Private Limited, Noida for USD 60,000 each valid for 90 days.	100.11

(₹ in lakhs)

S. No.	Machinery details	Qty.	Quotation details	Quotation amt.
	- 1 Set of Squeegee - 5 x Cleaning Paper Roll			
2.	Pick & Place Machine with Standard Accessories Model: FUJI 2 x AIMEXIII	2	Quotation dated May 08, 2024 from NMTronics (India) Private Limited, Noida for JPY 49,000,000 each valid for 90 days.	521.16
3.	JT Lead Free Reflow Oven JT RS-1200III-(N)	2	Quotation dated May 08, 2024 from NMTronics (India) Private Limited, Noida for USD 68,000 each valid for 90 days.	113.46
4.	Link Conveyor NMT-LC-1000-M1XL - 1000 mm Length - Auto Width Adjustment	2	Quotation dated May 08, 2024 from NMTronics (India) Private Limited, Noida for INR 2.20 lakhs valid for 90 days.	4.40
5.	Link Conveyor NMT-LC-1000-M1XL - 1000 mm Length - Design for Bottom Line Scanner - Auto Width Adjustment	2	Quotation dated May 08, 2024 from NMTronics (India) Private Limited, Noida for INR 2.20 lakhs valid for 90 days.	4.40
6.	Reject Conveyor <ul style="list-style-type: none"> <li>• 1000mm length</li> <li>• NG PCB Lift up</li> <li>• Light Tower</li> <li>• Monitor / Keyboard Stand</li> <li>• Auto Width Adjustment</li> </ul>	4	Quotation dated May 08, 2024 from NMTronics (India) Private Limited, Noida for INR 6.59 lakhs valid for 90 days.	13.18
7.	Inspection Conveyor NMT-IC-1000-M1XL - 1000 mm Length - Light Tower - Monitor / Keyboard Stand - Auto Width Adjustment	2	Quotation dated May 08, 2024 from NMTronics (India) Private Limited, Noida INR 2.52 lakhs valid for 90 days.	5.04
8.	Cooling Conveyor NMT-CC-1000-M1XL <ul style="list-style-type: none"> <li>• 1000mm length</li> <li>• Cooling fans</li> <li>• Auto Width Adjustment</li> </ul>	2	Quotation dated May 08, 2024 from NMTronics (India) Private Limited, Noida for INR 3.05 lakhs valid for 90 days.	6.10
9.	TRI Inspection & Testing Machines Solution TR7700L QE 3D AOI System (In Line Version)	2	Quotation dated May 08, 2024 from Test & Research India Private Limited, Gurugram for USD 98,000 each valid for 90 days.	163.51
10.	TRI Inspection & Testing Machines Solution TR7007L SII Plus 3D SPI System (In line version)	2	Quotation dated May 08, 2024 from Test & Research India Private Limited, Gurugram for USD 78,000 each valid for 90 days.	130.14
11.	Precision Solder Paste printer Model: Fuji GPX-CII - 29 x 29 Inch - 1 Set of Squeegee - 5 x Cleaning Paper Roll	4	Quotation dated May 23, 2024 from NMTronics (India) Private Limited, Noida for USD 50,000 each valid for 90 days.	166.85
12.	Pick & Place Machine with Standard Accessories Model: FUJI 4 x M3III + 1 x M6III + 1 x AIMEXIIIC	4	Quotation dated May 23, 2024 from NMTronics (India) Private Limited, Noida for JPY 80,000,000 each valid for 90 days.	1701.76
13.	JT Lead Free Reflow Oven – JT RS-1200III-(N)	4	Quotation dated May 23, 2024 from NMTronics (India) Private Limited, Noida for USD 68,000 each valid for 90 days.	226.91
14.	Magazine Loader NMT-LD-1850-M1L - 1000 mm Length - Auto Width Adjustmen	4	Quotation dated May 23, 2024 from NMTronics (India) Private Limited, Noida for INR 5.80 lakhs each valid for 90 days.	23.20
15.	Link Conveyor NMT-LC-1000-M1L - 1000 mm Length - Design for Bottom Line Scanner - Auto Width Adjustment	4	Quotation dated May 23, 2024 from NMTronics (India) Private Limited, Noida for INR 2.10 lakhs each valid for 90 days.	8.40
16.	Reject Conveyor	8	Quotation dated May 23, 2024 from NMTronics	48.00

S. No.	Machinery details	Qty.	Quotation details	Quotation amt.
	NMT-RC-1000-M1L <ul style="list-style-type: none"> <li>• 1000mm length</li> <li>• NG PCB Lift up</li> <li>• Light Tower</li> <li>• Monitor / Keyboard Stand</li> <li>• Auto Width Adjustment</li> </ul>		(India) Private Limited, Noida for INR 6.00 lakhs each valid for 90 days.	
17.	Inspection Conveyor NMT-IC-1000-M1L - 1000 mm Length - Top Cover - Light Tower - Monitor / Keyboard Stand - Auto Width Adjustment	4	Quotation dated May 23, 2024 from NMTronics (India) Private Limited, Noida for INR 2.50 lakhs each valid for 90 days.	10.00
18.	Cooling Conveyor NMT-CC-1000-M1L <ul style="list-style-type: none"> <li>• 1000mm length</li> <li>• Cooling fans</li> <li>• Auto Width Adjustment</li> </ul>	4	Quotation dated May 23, 2024 from NMTronics (India) Private Limited, Noida for INR 3.00 lakhs each valid for 90 days.	12.00
19.	Magazine UnLoader NMT-UL-2550-M1L - 1000 mm Length - Auto Width Adjustment	4	Quotation dated May 23, 2024 from NMTronics (India) Private Limited, Noida for INR 6.70 lakhs each valid for 90 days.	26.80
20.	TRI Inspection Machines Solution TRI TR7007D Plus Inline SPI	4	Quotation dated May 23, 2024 from Test & Research India Private Limited, Gurugram for USD 67,000 each valid for 90 days.	223.57
21.	TRI Inspection Machines Solution TRI TR7700QC SII In-line AOI	4	Quotation dated May 23, 2024 from Test & Research India Private Limited, Gurugram for USD 92,000 each valid for 90 days.	307.00
22.	Takaya Fixtureless Tester MODEL : APT-1600FD-SL Dual Vertical probes	2	Quotation dated April 25, 2024 from Takaya Corporation, Japan for USD 365,000 each valid upto July 25, 2024.	608.94
23.	Test Station LX/LX2	2	Quotation dated May 14, 2024 from Teradyne, Inc. - Systems Test Group, United States for USD 560,000 each valid upto August 13, 2024.	934.34
24.	Automatic PCBA router for PCB size 650*650mm (ICT5700XXL)	2	Quotation dated April 22, 2024 from ETA International PTE Ltd, Singapore for USD 45,000 each valid for 90 days.	75.08
25.	Wave soldering with N2 option, pallets loading size 650x650mm (W4 customised machine) Spray fluxer	2	Quotation dated April 22, 2024 from ETA International PTE Ltd, Singapore for USD 61,000 each valid for 90 days.	101.78
26.	Ultrasonic Cleaner for Frame size 1000x1000mm	2	Quotation dated April 22, 2024 from ETA International PTE Ltd, Singapore for USD 34,200 each valid for 90 days.	57.06
27.	Solder Paste mixer I.C.T-PM500	2	Quotation dated April 22, 2024 from ETA International PTE Ltd, Singapore for USD 990 each valid for 90 days.	1.66
28.	KIC Profiler with 12 channels	2	Quotation dated April 22, 2024 from ETA International PTE Ltd, Singapore for USD 7380 each valid for 90 days.	12.32
29.	Wave Surfer Kit with 5 TCs, 2 PCBAs - (up to 12 ch profilers)	2	Quotation dated April 22, 2024 from ETA International PTE Ltd, Singapore for USD 4770 each valid for 90 days.	7.96
30.	First Article Inspection machine FA1055 Model I.C.T-FAI1055	2	Quotation dated April 22, 2024 from ETA International PTE Ltd, Singapore for USD 10800 each valid for 90 days.	18.02
31.	Automatic In Line 2D AOI machine Model AI-5146	2	Quotation dated April 22, 2024 from ETA International PTE Ltd, Singapore for USD 41400 each valid for 90 days.	69.08
32.	Mini Wave soldering C120 with 4 Nozzles + 2 additional nozzles 200x25mm	2	Quotation dated April 22, 2024 from ETA International PTE Ltd, Singapore for USD 7020 each valid for 90 days.	11.72



S. No.	Machinery details	Qty.	Quotation details	Quotation amt.
33.	TRI TR7600LL SIII Fully Automatic 3D X-Ray Inspection	1	Quotation dated May 3, 2024 from Test & Research India Private Limited, Gurugram for USD 376,500 each valid for 90 days.	314.09
<b>TOTAL</b>				<b>6,028.04</b>

As per Quotation received from Supplier

The Quotation was received in US\$ & JPY (Source – (1 US\$ = 83.4231 INR, 1JPY = 0.5318 INR) [www.rbi.org.in/scripts/ReferenceRateArchive.aspx](http://www.rbi.org.in/scripts/ReferenceRateArchive.aspx) dated May 30, 2024)

**Notes:**

- 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.
- All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring 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/equipment's or at the same costs.
- The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of machinery or vendor or addition/deletion of any machinery) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment's or utilities, as required for manufacturing. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment's and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.
- We are not acquiring any second hand machinery.
- The quotations relied upon by us in arriving at the above cost are 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 machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the project cost.

Further, cost can be escalated on account of freight expenses, installation charges, packaging & forwarding, custom duty, applicable taxes etc. Such cost escalation would be met out of either of surplus portion of net issue proceeds (if any) or our internal accruals.

**Government approvals, permissions and clearances**

The company will be requiring the below mentioned government approvals, permissions and clearances for the Proposed factory unit which includes, inter alia, Pre-Establishment approvals/ permissions/ clearances and Post Establishment approvals/ permissions/ clearances along with the proposed timelines for the applications –

Nature of License/ Approval/ NOCs	Applicable Laws	Name of Authority	Expected timeline to make the Application
Completion of the Building work and possession of the Premises	-	-	30-Jul-24
Electrical Connection- HT and Water connection	-	JVVNL/ELCINA	30-Jul-24
Consent to establish and Consent to Operate	Section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section 21(4) of the Air (Prevention & Control of Pollution) Act, 1981	Rajasthan State Pollution Control Board	10-Aug-24
Fire No objection Certificate	Rajasthan Municipalities Act, 2009	Department of local self-government, Bhiwadi Rajasthan	20-Aug-24
Factory License & Building Plan approval	Factories Act, 1948	Chief Inspector of Factories and Boilers, Jaipur, Rajasthan	31-Aug-24
E- waste Authorization	E-Waste (Management) Rules, 2022	Directorate of Environment and Climate Change	31-Aug-24
Hazardous waste Authorization	Hazardous & Other Waste (Management & Transboundary) Rules, 2016	Rajasthan State Pollution Control Board	31-Aug-24
Certificate of Registration of Goods and Services Tax	Centre Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	15-Jul-24
UDYAM Registration	The Micro, Small and Medium Enterprises	Ministry of Small and	Issued dated

Nature of License/ Approval/ NOCs	Applicable Laws	Name of Authority	Expected timeline to make the Application
Certificate (Small Enterprise)	Development Act, 2005	Medium enterprises	April 27, 2024
Registration under Employees State Insurance Corporation	Employees State Insurance Act, 1948	Regional Office, Employee's State Insurance Corporation	15-Sept-24
Registration under Employees' Provident Funds	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Employees' Provident Fund Organisation	15-Sept-24

\*The above timeline has been based on the estimates of our Management

## 2. Investment in our Subsidiary, Sahasra Semiconductors Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery;

As on the date of this Draft Red Herring Prospectus, existing factory unit of our subsidiary company is located at Plot no B-2, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar-301019, Rajasthan, admeasuring the total land area of 8225.60 sq. mtr. We hold 54.18% of the equity share capital of our Subsidiary i.e. Sahasra Semiconductors Private Limited, which is primarily engaged in the business of manufacturing of electronic components like integrated circuits, chips, semiconductor devices, eMMC, mSD, COBs, COB based USBs, LED drivers IC, BGA, NAND flash & memory products. For further details, see chapter titled "Our Subsidiary" on page 123 of this Draft Red Herring Prospectus. As a part of our strategy, we intend to expand our operations, through our subsidiary Sahasra Semiconductors Private Limited, we therefore intend to utilize a part of the Net Proceeds amounting to ₹ 2542.30 Lakhs towards capital expenditure requirements in relation to installation of additional plant and machinery at its factory unit located at Plot no B-2, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar, Rajasthan- 301019. The infusion of funds by our Company in our Subsidiary is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be decided by our Company. The actual mode of such deployment has not been finalized as on the date of this Draft Red Herring Prospectus. The fund requirements, the deployment of funds and the intended use of the Net Proceeds, for installation of additional plant and machinery, as described herein are based on our current business plan, current and valid quotations from suppliers, and other commercial and technical factors. However, such total estimated cost and related fund requirements have not been appraised by any bank or financial institution or any other independent agency.

A detailed breakup of estimated cost towards purchase of machineries, equipment's and utilities which are proposed to be funded from the net issue proceeds is set forth below:

(₹ in lakhs)

S. No.	Machinery details	Qty.	Quotation details	Quotation amt.
1.	Singulation with Pick and place system	1	Vide a Performa invoice dated May 08, 2024 from Genesem Inc. Korea for USD 545,750	455.28
2.	Steel Strip tinning equipment	1	Vide a Performa invoice dated April 2024 from Dongguan Allmerit Technology Co. Ltd for USD 450000.	375.40
3.	Acco Test Base system 8200	1	Vide a Performa invoice dated May 13 2024 from Beijing Huafeng Test & Control Technology Co. Ltd for USD 119200.	99.44
4.	Auto test handler for Semiconductor Industry Model – ZF32	1	Vide a Performa invoice dated May 23 2024 from SRM Integration (Malaysia) SDN. BHD. for USD 195000.	162.68
5.	Fully Automatic Grinder/ Polisher & Fully automatic multi mounter	1	Quotation dated May 25, 2024 from Disco Corporation for USD 1,780,000 each valid for 90 days.	1484.93
6.	Automatic Wire bonder	1	Quotation dated April 23, 2024 from Kulicke & Soffa PTE Ltd for USD 164000 each valid for 90 days.	136.81
7.	Stereo Microscone Model No.: XBZ-830TI	1	Quotation dated May 15, 2024 from Shenzhen Aouta Industrial Co., Ltd. Guilin Optical Instrument Factory., Shenzhen Office for USD 650 each valid for 90 days.	0.54
8.	Mitutoyo make Profile Projector, PJ-PLUS series, model: PJ PIOIOA	1	Quotation dated May 22, 2024 from Mitutoyo South Asia Private Limited for INR 82.8 Lakhs each valid for 3 months.	8.28
9.	BLUE-M curing oven Model – DCI-336	2	Quotation dated April 23, 2024 from Mitutoyo South Asia Private Limited for USD 59687 each valid for 90 days.	99.59
<b>TOTAL</b>				<b>2822.95</b>
Less – Advance already Paid				280.65
<b>Balance to be paid</b>				<b>2542.30</b>

As per Quotation received from Supplier

The Quotation was received in US\$ & JPY (Source – (1 US\$ = 83.4231 INR, 1JPY = 0.5318 INR) [www.rbi.org.in/scripts/ReferenceRateArchive.aspx](http://www.rbi.org.in/scripts/ReferenceRateArchive.aspx) dated May 30, 2024)

**Notes:**

- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for all the machines. The actual cost of procurement and actual supplier/dealer may vary.
- All quotations received from the vendors mentioned above are valid as on the date of this Draft Red Herring 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/equipment's or at the same costs.
- The machinery/equipment models and quantity to be purchased are based on the present estimates of our management. The Management shall have the flexibility to revise such estimates (including but not limited to change of machinery or vendor or addition/deletion of any machinery) at the time of actual placement of the order. In such case, the Management can utilize the surplus of proceeds, if any, arising at the time of actual placement of the order, to meet the cost of such other machinery, equipment's or utilities, as required for manufacturing. Furthermore, if any surplus from the proceeds remains after meeting the total cost of machineries, equipment's and utilities for the aforesaid purpose, the same will be used for our general corporate purposes, subject to limit of 25% of the amount raised by our Company through this Issue.
- We are not acquiring any second hand machinery.
- The quotations relied upon by us in arriving at the above cost are 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 machineries proposed to be acquired by us at the actual time of purchase, resulting in increase in the project cost.

Further, cost can be escalated on account of freight expenses, installation charges, packaging & forwarding, custom duty, applicable taxes etc. Such cost escalation would be met out of either of surplus portion of net issue proceeds (if any) or our internal accruals.

**3. To Meet Working Capital Requirements:**

Our Company has on June 15, 2023 entered into an agreement for a term of 3 years with a company engaged into the business of designing and marketing of hardware and software products like laptops, tablets, servers and IT peripherals, for the supply of laptops, tablets, motherboards and related PCBA's as per the specification and purchase orders placed by the customer from time to time. Pursuant, to the agreement the company is planning to expand its share of business in the tablet, laptops and computer hardware products market. For making the said expansion the company will require additional working capital majorly for investment in trade receivables, inventories and payment to trade payables and funding day to day operations. Our Company requires additional working capital for funding its incremental working capital requirements in the Financial Years ended March 31, 2025 and March 31, 2026 to the extent of ₹[●] Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time.

With the expansion of the business the company, we will be in the need of additional working capital requirements for investment in trade receivables, inventories and payment to trade payables and funding day to day operations. The Company will meet the requirement to the extent of ₹[●] Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(₹ in Lakhs)

Sr. No	Particulars	Audited (Restated)				Projected	
		March 31, 2022	February 21, 2023	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
		Proprietorship		Company			
<b>I</b>	<b>Current Assets</b>						
	Inventory	304.05	857.29	801.69	2108.21	6188.73	7903.28
	Trade Receivables	459.89	1714.58	1764.74	2656.69	6907.39	8876.00
	Cash & Bank Balances	47.44	178.34	316.60	1710.08	919.40	1113.41
	Short term loans and advances	0.12	16.64	60.05	1357.09	1908.91	2086.00
	Other Current Assets	1.04	17.95	45.33	36.83	22.74	56.15
	<b>Total - Current Assets (I)</b>	<b>812.54</b>	<b>2784.80</b>	<b>2988.42</b>	<b>7868.90</b>	<b>15947.17</b>	<b>20034.84</b>
<b>II</b>	<b>Current Liabilities</b>						
	Trade Payables	454.95	1236.98	1292.28	1756.25	3037.08	3816.20
	Other Current Liabilities	70.94	381.27	640.88	680.96	1093.97	1203.37
	Short term Provisions	88.46	270.47	143.62	127.62	813.92	1005.42
	<b>Total - Current Liabilities (II)</b>	<b>614.35</b>	<b>1888.72</b>	<b>2076.78</b>	<b>2564.83</b>	<b>4944.97</b>	<b>6024.99</b>
<b>III</b>	<b>Net Working Capital Requirement (I-II)</b>	<b>198.19</b>	<b>896.08</b>	<b>911.64</b>	<b>5304.07</b>	<b>11002.2</b>	<b>14009.9</b>
<b>IV</b>	<b>Funding Pattern</b>						

Sr. No	Particulars	Audited (Restated)				Projected	
		March 31, 2022	February 21, 2023	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
		Proprietorship		Company			
	Short term Borrowings and Internal Accruals	198.19	896.08	911.64	5304.07	[●]	[●]
	IPO Proceeds					[●]	[●]

#### Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for financial period/ years ended March 31 2022, February 21, 2023, March 31 2023 & March 31 2024 as well as projections for financial year ended March 31, 2025.

Particulars	Unit	March 31, 2022	February 21, 2023	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
		(Proprietor)		(Company)			
Debtors	Days	77	95	66	96	90	90
Creditors	Days	106	125	70	121	52	53
Inventories	Days	71	87	43	145	107	109

#### Justification:

<b>Trade Receivables</b>	Our company deals in electronic manufacturing and around 80–90% of our business comes from export to various countries, i.e., the United States, European countries, South Africa, etc. Exporting products from India to other subcontinents took some time to deliver, i.e., customs clearance, inspection, in transit logistics, lead time, etc. Secondly, being electronic components; these products are subject to extensive verification and examination by the buyers, so based on the experience from the past and understanding the rotation of sales from the dispatch of goods to the receiving of money from debtors may take approximately 80-90 days. Further, considering the expansion we are planning to undertake in the laptop and tablet markets, may also require us to provide higher credits to our customers to gain market share.
<b>Trade payables</b>	Our creditor payments days for FY 2021–22 were 106 days, FY 2022–23 were 125 days, and FY 2023–24 were 121 days. Looking ahead, we are expecting to procure the products in bulk quantities and make early payments to the vendors, which will help us in getting better prices, improve our business prospects and face competition in a better manner.
<b>Inventory</b>	The company has signed an agreement to manufacture laptops and tablets, and the components that will be required to manufacture these components will be majorly imported, hence we believe that the inventory days of the company will be at a higher side in the coming financial year and also the cost of inventories will also increase due to the same. Therefore, in order to continue to production cycle the company is required to maintain a minimum level of inventory at any point of time, so as to assure smooth running of the production schedule at all times and reduce shortage of components. Therefore, the company expects the Inventory days to be in the range of 3.5 months going forward.
<b>Short term loans and advances</b>	Short-term loans and advances include balances with government authorities and other loans and advances. Other loans and advances include loans to its subsidiary company, Sahasra Semiconductors Private Limited

#### 4. General Corporate Purpose

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh issue proceeds aggregating ₹ [●] towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any Offer related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in the Draft Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Offer.

#### Public Offer Expenses

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

Activities	Estimated Expenses (₹ in Lakh)	As a % of Estimates Offer Expenses	As a % of Offer Size
Book Running Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Offer	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchange	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others (Fees payable for Marketing & distribution expenses, Selling Commission, Syndicate Members Commission, Brokerage, Processing Fees*, Underwriting fees and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

Offer expenses will be finalized on determination of Offer Price and incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

- (1) Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price. Offer expenses include applicable taxes, where applicable. Offer expenses are estimates and are subject to change.
- (2) Selling commission payable to the SCSBs on the portion for Retail Individual Bidders. Non-Institutional Bidders, which are directly procured by the SCSBs, would be as follows

Portion for Retail Individual Bidders*	[●] % of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●] % of the Amount Allotted* (plus applicable taxes)

\*Amount allotted is the product of the number of Equity Shares Allotted and the Offer Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE

- (3) No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for Retail Individual Bidders	[●] per valid Bid cum Application Form (plus applicable taxes)
Portion for Non-Institutional Bidders	[●] per valid Bid cum Application Form (plus applicable taxes)

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed [●] (plus applicable taxes) and in case if the total processing fees exceeds [●] (plus applicable taxes) then processing fees will be paid on pro-rata basis.

- (4) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Members of the Syndicate/ RTAs/ CDPs (uploading charges)	[●] per valid application (plus applicable taxes)
Sponsor Bank - [●]	[●] per valid Bid cum Application Form* (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.

\*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIBs (up to ₹200,000), Non-Institutional Bidders (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds [●] (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

- (5) Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

Portion for Retail Individual Bidders	[●] % of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	[●] % of the Amount Allotted* (plus applicable taxes)

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts, would be as follows: [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing would be as follows:

Portion for Retail Individual Bidders*	[●] per valid application (plus applicable taxes)
Portion for Non-Institutional Bidders*	[●] per valid application (plus applicable taxes)

\* Based on valid applications

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed [●] (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds [●] (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the Bid cum Application Form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the Bid cum Application Form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: [●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/P/2021/2480/1/M dated March 16, 2021.

**Proposed Schedule of Implementation:**

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Offer Proceeds is as under:

Sr. No.	Particulars	(₹ In Lakhs)	
		Amount to be deployed and utilized in F.Y. 2024-25	F.Y. 2025-26
1.	Funding Capital Expenditure towards installation of additional plant and machinery at new manufacturing facility situated at Bhiwadi, Rajasthan	3,549.00	2,479.04
2.	Investment in our Subsidiary, Sahasra Semiconductors Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery	2,542.30	-
3.	To Meet Working Capital Requirements	[●]	[●]
4.	General Corporate Purposes.	[●]	[●]
	<b>Total</b>	[●]	[●]

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

**Appraisal**

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 Offer are currently based on available quotations and 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 but not limited to variations in interest rate structures, changes in our financial condition and current commercial conditions of our Business and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

### **Bridge Financing Facilities**

As on the date of this Draft Red Herring Prospectus, we have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds. However, in case of delay in the IPO and consequent delay in accessing the net proceeds of the Issue, we may draw down such amounts, as may be required, from an overdraft arrangement/ cash credit/ term loan facility with our lenders or through unsecured loans to finance for purchase of such machineries as described in the section 'Objects of the Issue' until completion of the Issue. Any amount that is drawn down from such facility availed from any Bank/NBFC or Financial Institution or through unsecured loans during this period to finance 'Objects of the Issue' will be repaid from the Net Proceeds of the Issue.

### **Monitoring Utilization of Funds**

In accordance with Regulation 262 of the SEBI ICDR Regulations, our Company has appointed [●] as the monitoring agency ("Monitoring Agency") to monitor the utilisation of the Net Proceeds. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay and in accordance with the applicable laws. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such financial year/periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable financial year, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilized Net Proceeds.

The reports of the monitoring agency on the utilization of the Net Proceeds shall indicate the deployment of the Net Proceeds under the following heads:

1. Funding Capital Expenditure towards installation of additional plant and machinery at new manufacturing facility situated at Bhiwadi, Rajasthan;
2. Investment in our Subsidiary, Sahasra Semiconductors Private Limited for financing its capital expenditure requirements in relation towards installation of additional plant and machinery;
3. To Meet Working Capital Requirements
4. General Corporate Purposes

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statutory auditor of our Company will also provide report/ certificate on the utilization of the Net Proceeds to the monitoring agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our directors' report, after placing the same before the Audit Committee.

### **Interim Use of Proceeds**

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would 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**

There are no material existing or anticipated transactions with our Promoters, our Directors and our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds (except for the proceeds of Offer for sale). No part of the Net Proceeds (excluding the Offer for sale) will be paid by us as consideration to our Promoters, our directors or key managerial personnel except in the normal course of business and in compliance with the applicable laws.



**BASIS FOR OFFER PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 25, 95 and 142 respectively of the Draft Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

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

For the purpose of making an informed investment decision, the investors should also refer “**Risk Factors**”, “**Our Business**” and “**Financial Statement as restated**” beginning on page 25, 95 and 142 respectively of this Draft Red Herring Prospectus.

**QUALITATIVE FACTORS**

We believe the following business strengths allow us to successfully compete in the industry and the following are our primary competitive strength:

1. Dedicated solutions for ESDM services.
2. Established relationships with customers across various countries
3. Established manufacturing capabilities
4. Quality Assurance
5. Experienced Promoters, management and operating team

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 95 of the Draft Red Herring Prospectus.

**QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 142 of this Draft Red Herring Prospectus.

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

**1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10 each), as adjusted for change in capital:**

As per the Restated Financial Statements;

Sr. No	Period	(Amount in ₹)	Weights
1.	Period ending March 31, 2022	1.41	1
2.	Period ending March 31, 2023*	11.41	2
3.	Period ending March 31, 2024	18.05	3
	<b>Weighted Average</b>	<b>13.06</b>	

\*EPS for the period March 31, 2023 have been calculated considering the combined EPS of the company for the period February 21, 2023 to March 31, 2023 and for the erstwhile proprietorship for the period April 01, 2022 to February 20, 2023.

**Notes:**

- i. The figures disclosed above are based on the Restated Financial Statements of the Company as adjusted with the effect of issue of Bonus shares.
- ii. The face value of each Equity Share is ₹10.00.
- iii. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. 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
- vi. 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 Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2024.	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

Industry P/E Ratio*	
Highest (Kaynes Technology India Limited)	121.47
Lowest (Trident Techlabs Limited)	110.18
<b>Industry Average</b>	<b>115.83</b>

\*For the purpose of industry, we believe the companies engaged in the same sector or engaged in the similar line of business segment, however, they may not be exactly comparable in terms of size or business portfolio on a whole with that of our business. Average PE have been calculated based on the PE of the Peer company of Kaynes Technology India Limited & Trident Techlabs Limited.

### Note:

- The P/E ratio has been computed by dividing Offer Price with EPS.
- P/E Ratio of the company is based on the exchange announcement of the company for the year 2024 and stock exchange data dated June 13, 2024.

## 3. Return on Net worth (RoNW)\*

Sr. No	Period	RoNW (%)	Weights
1.	Period ending March 31, 2024	54.09%	3
2.	Period ending March 31, 2023**	100.12%	2
3.	Period ending March 31, 2022	16.44%	1
	<b>Weighted Average</b>	<b>63.16%</b>	

\*Restated Profit after tax/Net Worth

\*RoNW for the period March 31, 2023 have been calculated considering the combined PAT of the company for the period February 21, 2023 to March 31, 2023 and for the erstwhile proprietorship for the period April 01, 2022 to February 20, 2023 and divided by Networth as on March 31, 2023.

### Note:

- The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period

## 4. Net Asset Value (NAV) per Equity Share:

Sr. No.	NAV per Equity Share*	Amount in ₹
1.	As at March 31, 2022	8.57
2.	As at February 21, 2023	13.55
3.	As at March 31, 2023	11.43
4.	As at March 31, 2024	33.37
5.	NAV per Equity Share after the Offer	
	i) At Floor Price	[●]
	ii) At Cap Price	[●]
6.	Offer Price	[●]

\*The above NAV has been calculated giving the effect of Bonus Shares

### Note:

- The NAV per Equity Share has been computed by dividing restated networth with weighted average number of equity shares outstanding at the end of the year/period.

## 5. Comparison of Accounting Ratios with Industry Peers

Name of Company	Current Market Price (₹)	Face Value (₹)	EPS * (₹)	PE	RoNW (%) *	Book Value (₹)	Total Income (₹ in Lakhs)
Sahasra Electronic Solutions Limited	[●]	10.00	18.05	[●]	54.09%	33.37	10278.79
<b>Peer Group</b>							

Name of Company	Current Market Price (₹)	Face Value (₹)	EPS * (₹)	PE	RoNW (%) *	Book Value (₹)	Total Income (₹ in Lakhs)
Kaynes Technology India Limited	3720.65	10.00	30.63	121.47	7.37	389.32	186053.50
Trident Techlabs Limited	608.20	10.00	5.52	110.18	20.12	26.95	7300.39

**Notes:**

- (i) Source – Annual report of the company for the year 2024 and stock exchange data dated June 13, 2024. For our Company, we have taken CMP as the Offer price of equity share. Further, P/E Ratio is based on the CMP of the respective scrip's.
- (ii) The EPS, NAV, RoNW and revenue from operations of the Company are taken as per Restated Financial Statement for the Financial Year 2023-24 as adjusted with the effect of Bonus Issue.
- (iii) P/E Ratio of the company is based on the Annual report of the company for the year 2024 and stock exchange data dated June 13, 2024.
- (iv) RoNW has been computed as net profit after tax divided by closing net worth.
- (v) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- (vi) The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Offer price is [●] times the face value of equity share.

**6. Key Performance Indicators**

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 various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated June 11, 2024 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 Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. Kapoor Tandon & Co. Chartered Accountants, by their certificate dated June 11, 2024.

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 – Key Performance Indicators*” on pages 95 and 214, respectively. We have described and defined the KPIs, as applicable, in “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus.

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 Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

**Key Performance Indicators of our Company**

(₹ In Lakhs except percentages and ratios)

Particulars	As of and for the year/period ended			
	March 31, 2024	February 22, 2023 to March 31, 2023	April 1, 2022 to February 21, 2023	March 31, 2022
Revenue from Operations <sup>(1)</sup>	10115.27	1043.1	5865.23	2175.65
EBITDA <sup>(2)</sup>	3526.58	246.23	1876.88	377.48
EBITDA Margin <sup>(3)</sup>	34.86%	23.61%	32.00%	17.35%
Profit After Tax (PAT)	3262.77	230.55	1794.56	250.17
PAT Margin <sup>(4)</sup>	32.26%	22.10%	30.60%	11.50%
ROE <sup>(5)</sup>	54.09%	11.37%	73.70%	16.44%
ROCE <sup>(6)</sup>	42.50%	9.11%	56.81%	16.30%

**Notes:**

<sup>(1)</sup>Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

<sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income

<sup>(3)</sup> ‘EBITDA Margin’ is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> ‘PAT Margin’ is calculated as PAT for the period/year divided by revenue from operations.

<sup>(5)</sup>Return on Equity is ratio of Profit after Tax and Shareholder Equity

<sup>(6)</sup>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**

<b>KPI</b>	<b>Explanations</b>
Revenue from Operations	Revenue from Operations is used by the 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 in key verticals
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.

## 7. Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

(₹ In Lakhs except percentages and ratios)

Key Financial Performance	Sahasra Electronic Solutions Limited				Kaynes Technology India Limited			Trident Techlabs Limited		
	FY 2023-24	February 22, 2023 to March 31, 2023	April 1, 2022 to February 21, 2023	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22	FY 2023-24	FY 2022-23	FY 2021-22
Revenue from operations <sup>(1)</sup>	10115.27	1043.1	5865.23	2175.65	180461.9	112,611.40	70,624.90	7262.06	6,734.71	2,974.34
EBITDA <sup>(2)</sup>	3526.58	246.23	1876.88	377.48	25416.80	16650.5	9281	1596.92	888.37	435.25
EBITDA Margin (%) <sup>(3)</sup>	34.86%	23.61%	32.00%	17.35%	14.08%	14.79%	13.14%	21.99%	13.19%	14.63%
PAT <sup>(4)</sup>	3262.77	230.55	1794.56	250.17	18328.90	9519.6	4167.5	936.75	466.69	64.49
PAT Margin (%) <sup>(5)</sup>	32.26%	22.10%	30.60%	11.50%	10.16%	8.45%	5.90%	12.90%	6.93%	2.17%
RoE(%) <sup>(6)</sup>	54.09%	11.37%	73.70%	16.44%	10.63%	16.36%	24.25%	28.32%	28.34%	4.95%
RoCE (%) <sup>(7)</sup>	42.50%	9.11%	56.81%	16.30%	10.20%	14.52%	22.44%	24.26%	20.84%	8.32%

\*All the information for listed industry peer mentioned above are on a standalone basis and is sourced from their respective audited/ unaudited financial results and/or annual report.

**Notes:**

<sup>(1)</sup> Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements/ Annual Reports of the respected

<sup>(2)</sup> Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.

<sup>(3)</sup> EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income

<sup>(4)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(5)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(6)</sup> Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account

**8. Weighted average cost of acquisition**

- a) The price per share of our Company based on the primary/ new issue of shares (equity/convertible securities)

Except as stated below, there has been no issuance of Equity Shares, during the 18 months preceding the date of this Draft Red Herring 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 employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

Date of Allotment	No. of equity Shares allotted	Face value per Equity share (₹)	Issue price per Equity share (₹) (Including Securities Premium)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
February 22, 2024	1,79,69,500	10/-	10/-	Subscription to MOA	Partly Cash & Partly other than cash	1796.95
February 16, 2024	6,80,591	10/-	202/-	Private Placement	Cash	1374.79
February 29, 2024	2,64,672	10/-	202/-	Private Placement	Cash	534.64

- 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), during the 18 months preceding the date of this certificate, 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-Offer 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.

**Weighted average cost of acquisition, floor price and cap price:**

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	19.60	[●] times	[●] times
Weighted average cost of acquisition for secondary sale/ acquisition as per paragraph 8(b) above.	NA^	[●] times	[●] times

**Note:**

^There were no secondary sale/ acquisition as mentioned in paragraph 8(b) above, in last 18 months from the date of this Red Herring Prospectus.

\* To be updated at Prospectus stage.

Sahasra Electronic Solutions Limited is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Offer in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Delhi Edition of Regional newspaper [●] where the registered office of the company is situated each with wide circulation.

The Offer Price of ₹ [●] has been determined by our Company and Selling Shareholder in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the abovementioned information along with “*Our Business*”, “*Risk Factors*” and “*Restated Financial Statements*” on pages 95, 25 and 142 respectively, 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.

**STATEMENT OF SPECIAL TAX BENEFITS**

**To,**  
**The Board of Directors,**  
**Sahasra Electronic Solutions Limited**  
33, Pocket 1, Jasola Vihar, New Friends Colony,  
South Delhi, New Delhi, Delhi, India, 110025

**Dear Sirs/ Madam,**

**Sub: Statement of Tax Benefits ('The Statement') available to Sahasra Electronic Solutions Limited ("The Company") and its shareholders under the Direct and Indirect Tax Laws in India**

We hereby report that the enclosed annexure prepared by the management of **Sahasra Electronic Solutions Limited**, states the special tax benefits available to the Company and the shareholders of the Company under the Income-Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the "GST Act") presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives which the Company may face in the future, the Company may or may not choose to fulfill.

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

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

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

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

Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein.

We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft offer document/ offer document or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

**ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS**

The information provided below sets out the special tax benefits available to the Company and the Equity Shareholders under the Income Tax Act, 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

**A. SPECIAL DIRECT AND INDIRECT TAX BENEFITS TO THE COMPANY:**

- The following specific tax benefits are available to the Company after fulfilling conditions as per the respective provisions of the relevant tax laws. Income arising from services provided by unit located in SEZ, As per section 10AA of the Income Tax Act, 1961 ("IT Act"), a deduction of an amount equal to one hundred percent of the profits and gains derived by any unit located in SEZ for a period of 5 consecutive assessment years beginning from the assessment year relevant to the previous year in which the unit begins to provide services. Further an amount equal to fifty percent of the profit and gains derived from services is deductible for the next 5 years and another next 5 years, further deduction would be available to the extent of 50 percent of the profit provided condition exist in section 10AA should be satisfied. The Company has its manufacturing unit in SEZ Noida and accordingly, is eligible for the aforesaid deduction.
- However, the aforesaid deductions are not available while computing tax liability of the Company under Minimum Alternative Tax (MAT). Nonetheless, such MAT paid/payable on the book profits of the Company computed in terms of the provisions of IT Act, read with the Companies Act, 2013 would be eligible for credit against tax liability arising under normal provisions of tax post tax holiday period.

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

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

**NOTES:**

1. The above Annexure of special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Annexure covers only the special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Annexure also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
3. The above Annexure of special tax benefits is as per the current direct tax laws relevant for the assessment year 2024-25. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
5. A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 ('the Amendment Act, 2019') with effect from Financial Year 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/incentives. The option under section 115BAA of the Act once exercised cannot be subsequently withdrawn for any future financial year. The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax ('MAT') under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

In such a case, the Company is not allowed to claim any of the following deductions/ exemptions under the Act: -

- ✓ Deduction under the provisions of Section 10AA.
  - ✓ Deduction under clause (iia) of sub-section (1) of Section 32 (additional depreciation).
  - ✓ Deduction under section 32AD or Section 33AB or Section 33ABA
  - ✓ Deduction under section 35AD or Section 35CCC
  - ✓ Deduction under section 80G
6. Lower corporate tax rate under Section 115BAA of the Act and Minimum Alternate Tax ('MAT') credit under section 115JAA of the Act which are in general available and hence may not be treated as special tax benefits.



7. The Company has evaluated and decided not to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2021-22 to Financial Year 2023-24, however, the same option to exercise has been considered by the Company in Financial Year 2024-25.
8. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
9. For the purpose of reporting here, we have not considered the general tax benefits available to the company or shareholders.
10. The above statement covers only certain relevant direct tax law benefits and indirect tax law benefits or benefit.
11. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

Yours faithfully,  
**For, Kapoor Tandon & Co.**  
**Chartered Accountants,**  
FRN: 000952C

Sd/-  
**Devendra S. Mathur**  
**(Partner)**  
**M. No. 082570**  
**Place: New Delhi**

**UDIN:** 24082570BKHVVM1126

**Date:** June 11, 2024

**SECTION V – ABOUT THE COMPANY**

**INDUSTRY OVERVIEW**

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

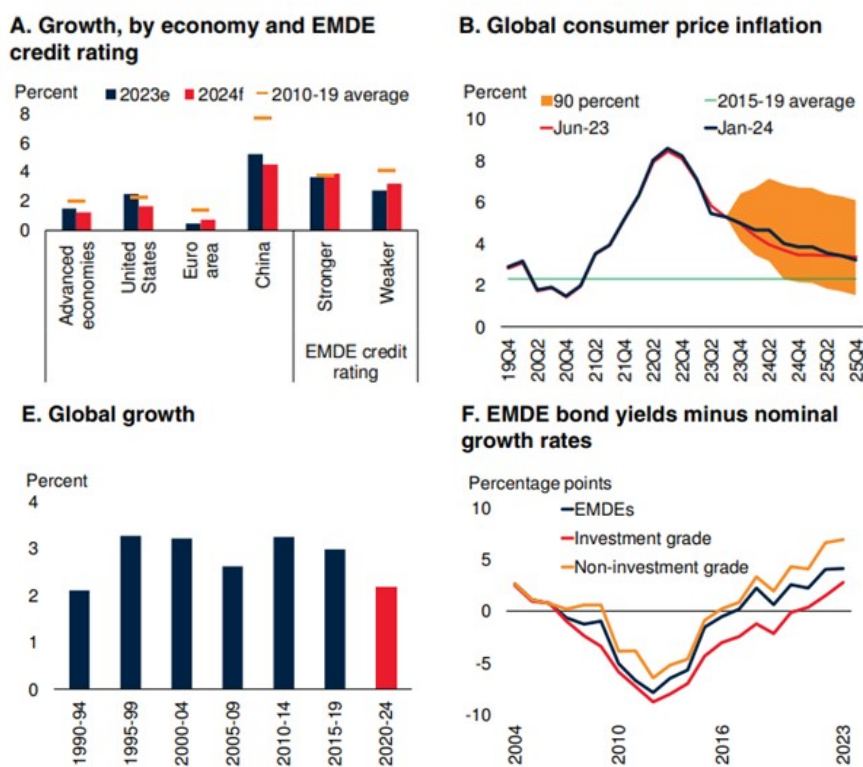
Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in “Our Business” and “Financial Information” beginning on pages 95 and 212 respectively of this Draft Red Herring 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, see “Risk Factors” beginning on page 25 of this Draft Red Herring Prospectus.

**GLOBAL ECONOMIC OUTLOOK**

As the world nears the midpoint of what was intended to be a transformative decade for development, the global economy is set to rack up a sorry record by the end of 2024—the slowest half-decade of GDP growth in 30 years, according to the World Bank’s latest Global Economic Prospects report. By one measure, the global economy is in a better place than it was a year ago: the risk of a global recession has receded, largely because of the strength of the U.S. economy. But mounting geopolitical tensions could create fresh near-term hazards for the world economy. Meanwhile, the medium-term outlook has darkened for many developing economies amid slowing growth in most major economies, sluggish global trade, and the tightest financial conditions in decades. Global trade growth in 2024 is expected to be only half the average in the decade before the pandemic. Meanwhile, borrowing costs for developing economies - especially those with poor credit ratings are likely to remain steep with global interest rates stuck at four-decade highs in inflation-adjusted terms.

Global growth is projected to slow for the third year in a row—from 2.6% last year to 2.4% in 2024, almost three-quarters of a percentage point below the average of the 2010s. Developing economies are projected to grow just 3.9%, more than one percentage point below the average of the previous decade. After a disappointing performance last year, low-income countries should grow 5.5%, weaker than previously expected. By the end of 2024, people in about one out of every four developing countries and about 40% of low-income countries will still be poorer than they were on the eve of the COVID pandemic in 2019. In advanced economies, meanwhile, growth is set to slow to 1.2% this year from 1.5% in 2023.

(Source - <https://www.worldbank.org/en/news/press-release/2024/01/09/global-economic-prospects-january-2024-press-release>)



(Source - <https://openknowledge.worldbank.org/server/api/core/bitstreams/7fe97e0a-52c5-4655-9207-c176eb9fb66a/content>)

“Without a major course correction, the 2020s will go down as a decade of wasted opportunity,” said Indermit Gill, the World Bank Group’s Chief Economist and Senior Vice President. “Near-term growth will remain weak, leaving many developing countries—especially the poorest—stuck in a trap: with paralyzing levels of debt and tenuous access to food for nearly one out of every three people. That would obstruct progress on many global priorities. Opportunities still exist to turn the tide. This report offers a clear way forward: it spells out the transformation that can be achieved if governments act now to accelerate investment and strengthen fiscal policy frameworks.”

To tackle climate change and achieve other key global development goals by 2030, developing countries will need to deliver a formidable increase in investment—about \$2.4 trillion per year. Without a comprehensive policy package, prospects for such an increase are not bright. Per capita investment growth in developing economies between 2023 and 2024 is expected to average only 3.7%, just over half the rate of the previous two decades.

The report offers the first global analysis of what it will take to generate a sustained investment boom, drawing from the experience of 35 advanced economies and 69 developing economies over the past 70 years. It finds that developing economies often reap an economic windfall when they accelerate per capita investment growth to at least 4% and sustain it for six years or more: the pace of convergence with advanced-economy income levels speeds up, the poverty rate declines more swiftly, and productivity growth quadruples. Other benefits also materialize during these booms: among other things, inflation falls, fiscal and external positions improve, and people’s access to the internet expands rapidly.

“Investment booms have the potential to transform developing economies and help them speed up the energy transition and achieve a wide variety of development objectives,” said Ayhan Kose, the World Bank’s Deputy Chief Economist and Director of the Prospects Group. “To spark such booms, developing economies need to implement comprehensive policy packages to improve fiscal and monetary frameworks, expand cross-border trade and financial flows, improve the investment climate, and strengthen the quality of institutions. That is hard work, but many developing economies have been able to do it before. Doing it again will help mitigate the projected slowdown in potential growth in the rest of this decade.”

The latest Global Economic Prospects also identifies what two-thirds of developing countries—commodity exporters specifically—can do to avoid boom-and-bust cycles. The report finds that governments in these countries often adopt fiscal policies that intensify booms and busts. When increases in commodity prices boost growth by 1 percentage point, for example, governments increase spending in ways that boost growth by an additional 0.2 percentage point. In general, in good times, fiscal policy tends to overheat the economy. In bad times it deepens the slump. This “procyclicality” is 30 percent stronger in commodity-exporting developing economies than it is in other developing economies. Fiscal policies also tend to be 40 percent more volatile in these economies than in other developing economies.

The instability associated with higher procyclicality and volatility of fiscal policy produces a chronic drag on the growth prospects of commodity-exporting developing economies. The drag can be reduced—by putting in place a fiscal framework that helps discipline government spending, by adopting flexible exchange-rate regimes, and by avoiding restrictions on the movement of international capital. On average, these policy measures could help commodity exporters in developing economies boost their per capita GDP growth by as much as 1 percentage point every four or five years. Countries can also benefit by building sovereign-wealth funds and other rainy-day funds that can be deployed quickly in an emergency.

(Source - <https://www.worldbank.org/en/news/press-release/2024/01/09/global-economic-prospects-january-2024-press-release>)

## **INDIAN ECONOMY OUTLOOK**

In general, global economic shocks in the past were severe but spaced out in time. This changed in the third decade of this millennium. At least three shocks have hit the global economy since 2020. It all started with the pandemic-induced contraction of the global output, followed by the Russian-Ukraine conflict leading to a worldwide surge in inflation. Then, the central banks across economies led by the Federal Reserve responded with synchronized policy rate hikes to curb inflation. The rate hike by the US Fed drove capital into the US markets causing the US Dollar to appreciate against most currencies. This led to the widening of the Current Account Deficits (CAD) and increased inflationary pressures in net importing economies. The rate hike and persistent inflation also led to a lowering of the global growth forecasts for 2022 and 2023 by the IMF in its October 2022 update of the World Economic Outlook. The frailties of the Chinese economy further contributed to weakening the growth forecasts. Slowing global growth apart from monetary tightening may also lead to a financial contagion emanating from the advanced economies where the debt of the non-financial sector has risen the most since the global financial crisis. With inflation persisting in the advanced economies and the central banks hinting at further rate hikes, downside risks to the global economic outlook appear elevated.

The Indian economy, however, appears to have moved on after its encounter with the pandemic, staging a full recovery in FY22 ahead of many nations and positioning itself to ascend to the pre-pandemic growth path in FY23. Yet in the current year, India has also faced the challenge of reining in inflation that the European strife accentuated. Measures taken by the government and RBI, along with the easing of global commodity prices, have finally managed to bring retail inflation below the RBI upper tolerance target in November 2022. However, the challenge of the depreciating rupee, although better performing than most other currencies, persists with the likelihood of further increases in policy rates by the US Fed. The widening of the CAD may also continue as global commodity prices remain elevated and the growth momentum of the Indian economy remains strong. The loss

of export stimulus is further possible as the slowing world growth and trade shrinks the global market size in the second half of the current year.

Despite these, agencies worldwide continue to project India as the fastest-growing major economy at 6.5-7.0 per cent in FY23. These optimistic growth forecasts stem in part from the resilience of the Indian economy seen in the rebound of private consumption seamlessly replacing the export stimuli as the leading driver of growth. The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilization across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others. The world's second-largest vaccination drive involving more than 2 billion doses also served to lift consumer sentiments that may prolong the rebound in consumption. Vaccinations have facilitated the return of migrant workers to cities to work in construction sites as the rebound in consumption spilled over into the housing market. This is evident in the housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY23 from 42 months last year.

The Capital Expenditure (Capex) of the central government, which increased by 63.4 per cent in the first eight months of FY23, was another growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022. On current trend, it appears that the full year's capital expenditure budget will be met. A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the Corporates and the consequent increase in credit financing it has been able to generate. A much-improved financial health of well-capitalized public sector banks has positioned them better to increase the credit supply. Consequently, the credit growth to the Micro, Small, and Medium Enterprises (MSME) sector has been remarkably high, over 30.6 per cent, on average during Jan-Nov 2022, supported by the extended Emergency Credit Linked Guarantee Scheme (ECLGS) of the Union government. The increase in the overall bank credit has also been influenced by the shift in borrower's funding choices from volatile bond markets, where yields have increased, and external commercial borrowings, where interest and hedging costs have increased, towards banks. If inflation declines in FY24 and if real cost of credit does not rise, then credit growth is likely to be brisk in FY24.

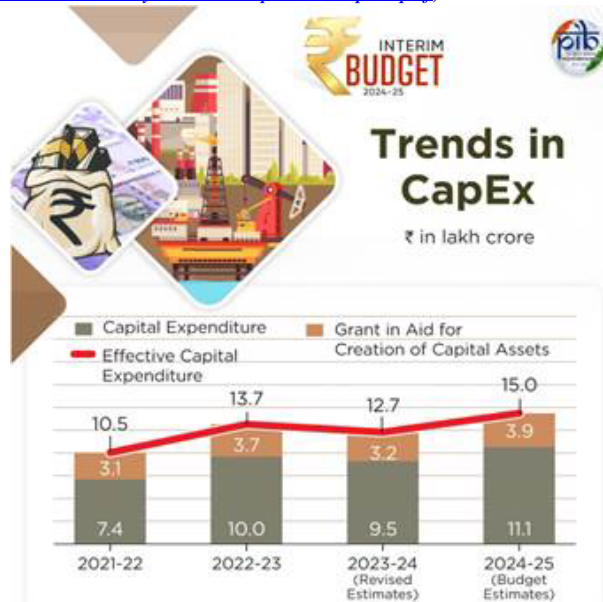
India's economic growth in FY23 has been principally led by private consumption and capital formation. It has helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund. Still, private capex soon needs to take up the leadership role to put job creation on a fast track. Recovery of MSMEs is proceeding apace, as is evident in the amounts of Goods and Services Tax (GST) they pay, while the Emergency Credit Linked Guarantee Scheme (ECLGS) is easing their debt servicing concerns. The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) has been directly providing jobs in rural areas and indirectly creating opportunities for rural households to diversify their sources of income generation. Schemes like PM-Kisan and PM Garib Kalyan Yojana have helped in ensuring food security in the country, and their impact was also endorsed by the United Nations Development Programme (UNDP). The results of the National Family Health Survey (NFHS) also show improvement in rural welfare indicators from FY16 to FY20, covering aspects like gender, fertility rate, household amenities, and women empowerment.

Global growth has been projected to decline in 2023 and is expected to remain generally subdued in the following years as well. The slowing demand will likely push down global commodity prices and improve India's CAD in FY24. However, a downside risk to the Current Account Balance stems from a swift recovery driven mainly by domestic demand and, to a lesser extent, by exports. The CAD needs to be closely monitored as the growth momentum of the current year spills over into the next. Growth is expected to be brisk in FY24 as a vigorous credit disbursement, and capital investment cycle is expected to unfold in India with the strengthening of the balance sheets of the corporate and banking sectors. Further support to economic growth will come from the expansion of public digital platforms and path-breaking measures such as PM GatiShakti, the National Logistics Policy, and the Production-Linked Incentive schemes to boost manufacturing output.

*Economic Survey 2022-23 (Source - <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf>)*

Despite uncertainty from adverse geopolitical developments and expansionary fiscal measures taken during the COVID-19 pandemic, the Indian economy has demonstrated resilience and maintained healthy macroeconomic fundamentals. As per the First Advance Estimates of National Income of FY 2023-24, India's Real GDP is projected to grow at 7.3 per cent. This was stated in the Macro-Economic Framework Statement 2024-25.

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 H1 of FY2023-24. On the supply side, industry and services sectors were the primary growth drivers in H1 of FY2023-24. India has registered the highest growth among major advanced and emerging market economies during this period. As per the IMF, India is likely to become the third-largest economy in 2027 in USD at market exchange rate. It also estimates that India's contribution to global growth will rise by 200 basis points in 5 years.



Calling the decade of 2014-23 as the golden era for FDI inflows, Smt. Sitharaman informed the House that the inflow during this period was twice the figure during 2005-14, amounting to USD 596 billion. “For encouraging sustained foreign investment, we are negotiating bilateral investment treaties with our foreign partners, in the spirit of ‘First Develop India’”, she added.

Macroeconomic stability and improvements in India’s external position, particularly significant moderation in the current account deficit and revival of capital flows on the back of a comfortable foreign exchange reserves buffer, resulted in stability in the Indian rupee during FY 2023-24. Further, inflationary pressures in India moderated majorly driven by proactive supply side initiatives by the Government, noted the Macro-Economic Framework Statement 2024-25.

**Strategic priorities for FY 2024-25:**

The Government’s fiscal policy stance has been to make the domestic economy more resilient to exogenous shocks and to mitigate the risks of global economic downturn without compromising on the overall macroeconomic balances. The FY 2024-25 fiscal strategy of the government is based on the following broad intents:

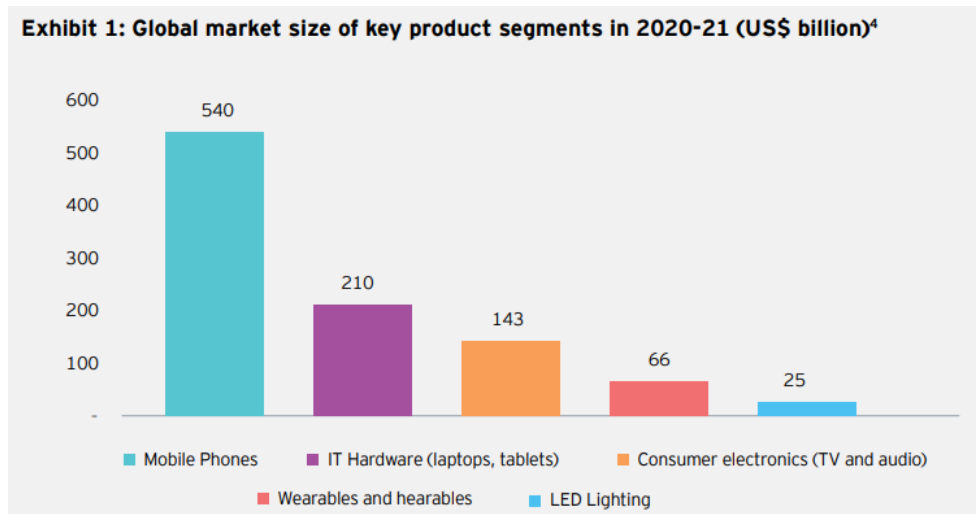
- a. Directing towards more inclusive, sustainable and more resilient domestic economy to absorb the unanticipated shocks, if any;
- b. Channelizing and allocating increased resources towards capital spending to sustain infrastructure development momentum;
- c. Continuing the holistic approach of fiscal federalism towards enhancing the public infrastructure by supporting efforts of the States for capital spending;
- d. Focus on integrated and coordinated planning and implementation of infrastructure projects in the country, embracing the principles of PM Gati Shakti;
- e. Prioritization of expenditure towards the key developmental sectors viz., drinking water, housing, sanitation, green energy, health, education, agriculture, rural development etc. for long run sustainable and inclusive betterment of the citizens;
- f. Enhancing the effectiveness of cash management through just-in-time release of resources by using SNA/TSA system etc.



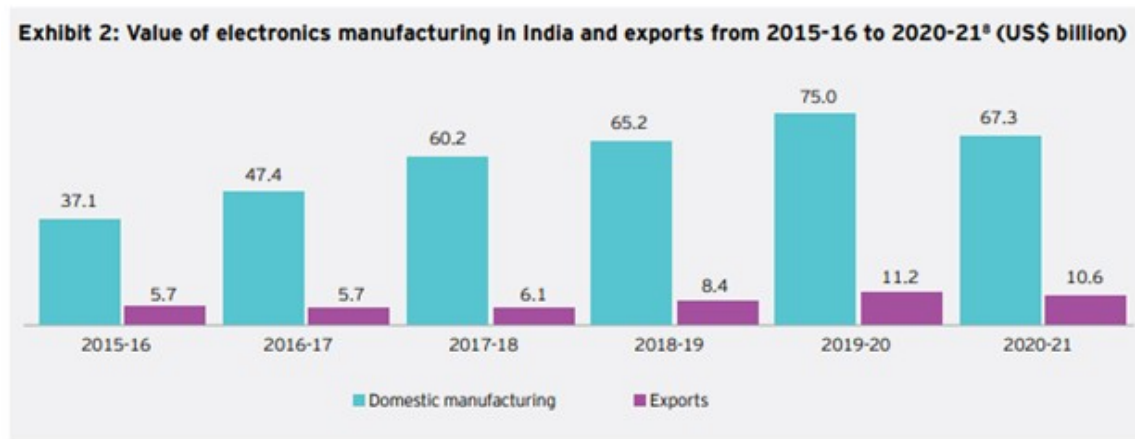
(Source - <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=2001124>)

**INDUSTRY SCENARIO**

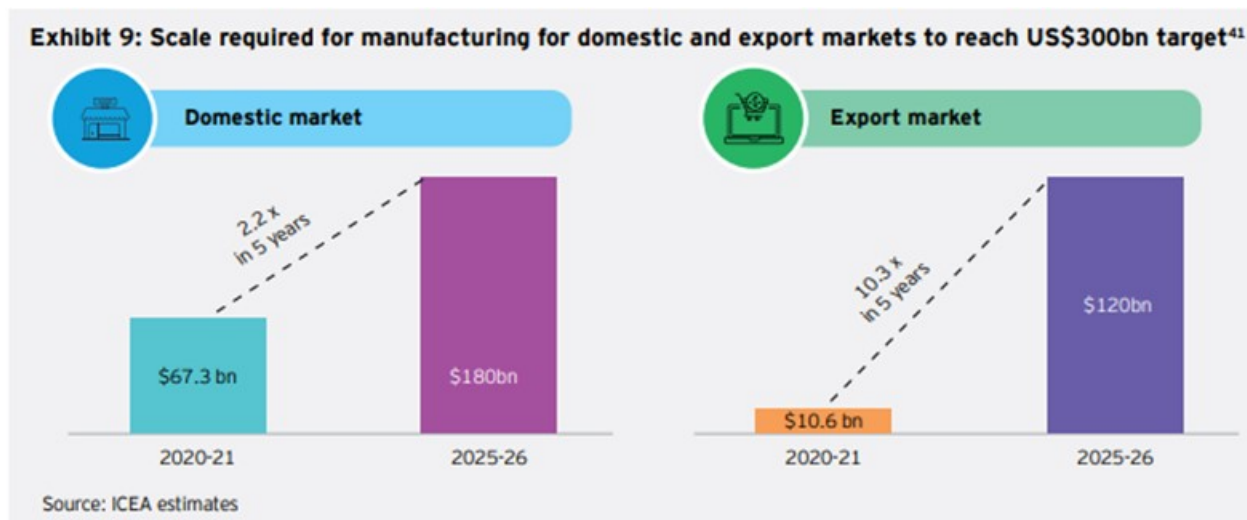
The electronics industry is one of the largest and fastest growing industries in the world. Electronic products continue to impact and shape our lifestyle prominently in today’s digital era. With the world being more connected than ever and the digital push induced by COVID-19 pandemic; the demand for electronic devices is expected to grow steadily and continue to be a major economic driver across the globe. The global electronics industry is estimated at US\$ 2.9 trillion in 2020. For comparison, the global value of electronics industry is almost equal to the economy size of India, which currently stands at US\$ 2.9 trillion.



On an overall basis, electronics manufacturing had grown from US\$37.1 billion in 2015-16 to US\$ 67.3 billion in 2020-21. However, COVID-19 related disruptions impacted the growth trajectory in 2020-21 and led to a decline in the manufacturing output to US\$67.3 billion



The National Policy on Electronics (NPE) 2019 set a target of achieving a turnover of US\$ 400 billion by 2025. However, the COVID-19 pandemic brought with it unforeseen and unprecedented challenges. In light of this, the NPE 2019 targets for electronics production in 2025-26 at US\$ 300 billion appears to be more realistic considering the disruption on account of COVID-19 in the past 18 months which has been aggravated with the new variants of the COVID-19 virus such as the Omicron. In keeping with the targets envisioned in the NPE 2019, there have been numerous consultations and deliberations between industry, industry bodies and the Government to reach at the above revised target for the electronics sector



Technology is the key driver of all industries and influences all spheres of our lives. Accordingly, India continues to strive to emerge as a leader in the segment by capturing a sizable pie of the electronics manufacturing ecosystem that propels the technology sector. For India to be the global electronics manufacturing hub of the future, there needs to be a clear long-term vision which must be achieved by means of the short-term goals. In order to become a US\$ 5 trillion economy by 2025-26, (or 2027-28 considering allowance for the two year loss on account of the pandemic), India shall strive to be a US\$1 trillion digital economy given its omnipresence across all spectrums of life. Moreover, a special emphasis shall be laid on exports to achieve this objective.

The long-term vision may be covered primarily under four broad categories:

- Make in India for the world
- Make India the No. 1 electronics manufacturer and exporter.
- Become a significant player in the global value chain.
- Build ecosystem comprising of primarily mobile phones, IT hardware, and consumer electronics of US\$ 1 trillion+ in the next 10 years.

Till 2011, India was a major manufacturing and export hub for mobile phones. However, the pace of exports reduced significantly post shutdown of Nokia's manufacturing facility in 2014. Domestic manufacturing also suffered tremendously<sup>14</sup>. Imports grew and India's mobile industry became largely import dependent<sup>15</sup>. To push electronics manufacturing in general and mobile manufacturing in particular, the Government in consultation with the industry resorted to Phased Manufacturing Policy (PMP) in 2017. This was aimed at a duty-based import substitution effort that would largely depend upon imposing duties in a phased manner. It was an attempt to start generating domestic manufacturing primarily for domestic use. The exports were negligible<sup>16</sup>.

Five years later in 2022, the approach and the entire strategy of the Government has undergone a change - from PMP (import substitution) to the Production Linked incentive (PLI) approach aimed at transforming India into a global hub for mobile and electronics manufacturing. This would bring competitiveness, scale and exports at the centre of the policy focus, replacing the earlier import substitution objectives and supportive policies.

This shift is evident as below: • NPE 2019 envisages strengthening India’s linkages with global trade, integration with global value chains and build policies and incentive framework to boost exports. The policy aims to transform India into a destination for manufacturing and exports. • Hon’ble Prime Minister in his address on August 6 2021 to the Heads of Indian Missions abroad also made a clarion call to focus on export led policies from India for increasing India’s share in global value chains. In particular, he cited the example of mobile manufacturing and exports. • The Ministry of Commerce and Industry is undertaking a major restructuring exercise to support India’s outlook towards exports and Free Trade Agreements (FTAs). The trade policy is exploring half a dozen new bilateral FTAs with UAE, UK, Australia, Canada and EU in 2022. It has also launched a revitalised India-US Trade Policy Forum in November 2021.

In summary, there has been a complete shift in strategy which goes beyond the vision of import substitution to “Make in India for the World”. This fresh outlook as noted above is aimed at transforming India’s manufacturing process by focusing on competitiveness, scale and exports. Furthermore, continuing on the path of import substitution, India’s domestic electronics market is estimated to reach at best US\$ 150-180 billion from the current US\$65 billion over the next 4-5 years<sup>17</sup>. Thus, exports of US\$ 120-140 billion is critical to reach the US\$300 billion mark for electronics manufacturing. This in turn is key for the US\$5 trillion economy, US\$1 trillion digital economy and the US\$1 trillion export target envisaged by the Ministry of Electronics and Information Technology (MeitY) and the Ministry of Commerce and Industry respectively. Moreover, given the shorter timeframe wherein electronics manufacturing has to nearly quadruple from present US\$67 billion to US\$300 billion by 2025-26, it is imperative that specific product segments with high potential for scale are shortlisted and catered to by way of incentives and policy measures. Such products segments cover mainly mobile phones, Information Technology hardware (‘IT hardware’), consumer electronics, wearables and hearables, LED lighting, electronic components in electric vehicles etc. and have been elaborated in the ensuing sections of this document.

#### Mobile Phones



The Production Linked Incentives (‘PLI’) scheme coupled with the presence of a large global market being over \$550 billion<sup>19</sup> in 2021 (and estimated to grow to US\$650 billion (approx.) by 2026<sup>19</sup>) provides a viable opportunity to achieve the substantial share of manufacturing targets. Moreover, India’s domestic mobile sales are in line with industry estimates and likely to grow faster in the coming few years<sup>20</sup> due to increasing digital lifestyle and COVID related disruptions. Thus, it shall be crucial for the electronics industry to align itself with NPE 2019 and leverage the market opportunity.

#### Laptops and Tablets



Despite the overall growth of the Indian electronics industry, that of the computer hardware segment has remained largely insignificant over the years, with more imports (being an Information Technology Agreement-1 category product) and negligible exports<sup>21</sup>. India is relatively a small market, but significant enough with an estimated market size of US\$ 6.8 billion per annum<sup>22</sup>. It is also estimated to be 20-25% higher by 2025, due to Information Technology (‘IT’) and services growth, Digital India push, and work and study from home on the rise.<sup>23</sup> Considering that global market is well over US\$200 billion+ in 2021<sup>24</sup> and likely to remain stable, tech-enabled manufacturing process and skilled local personnel become crucial for companies looking to invest and move production outside their territories. The reorganization of domestic labour, local talent pool and digitalization of supply chains may enable more export-oriented growth for laptops and tablets manufacturing.

#### Hearables and Wearables (and related accessories)



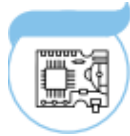
The penetration of hearables and wearables has accelerated post COVID creating more dependence on digital products. With the world still struggling through the pandemic and acclimatizing itself to the new normal, the penetration of hearables is estimated to grow. Hearables market is estimated to account for more than 60% of the overall market share among Wearables by 2024<sup>25</sup>. The hearables and wearables market is estimated to have overall production of ~US\$ 8 billion by 2024, if large scale hearables manufacturing could be aimed to address 10% of the Global market by 2024.<sup>26</sup> Similarly, the electronics accessories market (such as mouse, keyboard, pencil, pad etc.) is estimated to be significant in global size and is also labor-intensive in nature. India may capitalize on its inherent strengths in labor-intensive segments to undertake manufacturing and Make in India for the World.

### Consumer and industrial electronics



The combined market for electronics such as washing machines, refrigerators, air conditioners and heaters, smart TVs, audio devices, video and music streaming devices etc. is estimated at around US\$ 280 billion<sup>27</sup> in 2021 and is estimated to grow to US\$ 368 billion<sup>27</sup> by 2026. This provides a significant opportunity for India to capitalize on its inherent strengths and undertake manufacturing of electronic components and parts to meet the global demand of these products. This shall assist in achieving the US\$300 billion manufacturing target and align with NPE 2019 objectives.

### Printed Circuit Board Assembly ('PCBA')



PCBA is the core of every electronic device such as mobile phones, tablets, computers, routers, televisions, washing machines, refrigerators, air conditioners etc. The average contribution of PCBA to the Bill of Materials (BoM) is at around 40% and presents a US\$600 billion global PCBA market<sup>28</sup>. Given that PCBA is a critical piece of electronics manufacturing and is omnipresent in electronic products, it is crucial for India to gain a significant foothold in the manufacturing of PCBA as well as serving the demand for global markets. The growing scale, inter alia, of mobile phones and IT hardware manufacturing shall act as a catalyst in undertaking manufacturing of PCBAs by the industry.

### Others (such as auto electronics, LED lighting, telecom equipment and electronic components)



With the gradual development of an electronics manufacturing ecosystem for above product categories and being globally competitive is estimated to open avenues for capturing a market share of other associated product segments such as automotive electronics, LED lighting, telecom equipment. Moreover, backward integration into the ecosystem may also assist India with manufacturing of electronic components and create a standalone market for them to cater to the global demand. Therefore, these product categories may also help achieve the manufacturing objectives and contribute towards the US\$300 billion target by 2025-26.

(Source - [https://icea.org.in/blog/wp-content/uploads/2022/01/FinalReport\\_VisionDocument\\_24012022.pdf](https://icea.org.in/blog/wp-content/uploads/2022/01/FinalReport_VisionDocument_24012022.pdf))

### Attractive Opportunities

- India is committed to reach US\$ 300 billion worth of electronics manufacturing and exports of US\$ 120 billion by 2025-26.
- Addressable market for domestic OEMs is projected to be >₹ 10 lakh crore (US\$ 131.99 billion) by 2025.
- The government intends to incentivise and attract investments to set up semiconductor FABs (fabrication plants) in India.
- AI is expected to add US\$ 967 billion to Indian economy by 2035 and US\$ 450-500 billion to India's GDP by 2025, accounting for 10% of the country's US\$ 5 trillion GDP target.
- The Government is promoting the development of Electronics Manufacturing Clusters (EMCs) throughout the country to provide world-class infrastructure and facilities.
- In March 2023, the Government approved setting up of the Electronics Manufacturing Cluster (EMC) at Hubli-Dharwad in Karnataka, worth US\$ 22 million (₹ 180 crore) and is expected to create about 18,000 jobs.

### Robust Demand

- Second-largest manufacturer of mobile phones in the world.
- Will be the fifth-largest consumers of electronic products by 2025.
- India has strong design and R&D capabilities in auto electronics and industrial electronics.
- In FY23, the exports of electronic goods were recorded at US\$ 23.57 billion as compared to US\$ 15.66 billion during FY22, registering a growth of 50.52%.

### Policy Support

- The production-linked incentive (PLI) schemes will provide companies opportunities to establish manufacturing plants in India.
- 100% FDI is allowed under the automatic route. In case of electronics items for defence, FDI up to 49% is allowed under automatic route and beyond 49%, government approval is required.
- The Digital India Program has been transforming the country into a digitally empowered society and knowledge economy since its launch in July 2015.
- The Indian government's National Policy on Electronics (NPE 2019) aims to facilitate a turnover of US\$ 400 billion in domestic manufacturing by 2025



## Investments

- Post-COVID, the Government of India was aiming to increase India's contribution by around US\$ 400 billion worth of electronics goods including exports worth US\$ 120 billion, which would account for 9-10% of the overall global value chains, from the current supply potential of 1-2%.
- Production-linked scheme (PLI) for largescale electronics manufacturing (including mobiles) has seen investments worth ₹ 6,887 crore (US\$ 833 million) (till June 2023), already surpassing the target for FY24 which was ₹ 5,488 crore (US\$ 664.4 million).
- Intel invested over US\$ 7 billion in design and R&D facilities in the country to date.
- Major Government initiatives such as 'Digital India', 'Make in India' and supportive policies including a favourable FDI Policy for electronics manufacturing have simplified the process of setting up manufacturing units in India.

## Sector policies

### National Policy on Electronics (NPE), 2019

- The National Policy on Electronics 2019 (NPE 2019), prepared after extensive stakeholder consultation, envisages to position India as a global hub for ESDM with thrust on exports by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.
- The NPE 2019 targets to promote domestic manufacturing and export in the entire value chain of ESDM and achieve a turnover of US\$ 400 billion by 2025

### Phased Manufacturing Programme (PMP)

The Ministry of Heavy Industries has notified a Phased Manufacturing Programme (PMP) to promote indigenous manufacturing of Electric Vehicles, its assemblies / subassemblies and parts / sub-parts / inputs of the sub-assemblies. The PMP envisaged a graded duty structure to promote indigenous manufacturing over a period of time.

### Production-Linked Incentive (PLI) Scheme

- PLI scheme for large scale electronics manufacturing launched by Ministry of Electronics and Information Technology (MeitY) in April 2020 has been extended from existing five years band (FY21-FY25) to six years (FY21-FY26).
- For growth industries, such as consumer electronics, electric vehicles and renewable energy, ACC battery production represents one of the biggest economic opportunities. PLI scheme for the ACC battery would allow key domestic and international players to set up a competitive ACC battery plants in the region.
- PLI offers a production linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components, including Assembly, Testing, Marking and Packaging (ATMP) of units.
  - Incentive: 4-6% on incremental sales (over base year) of goods manufactured in India; incentives up to US\$ 5 billion will be awarded over a period of five years.
  - Eligibility: Subject to thresholds of incremental investments and incremental sales of manufactured goods

(Source - [https://www.ibef.org/download/1707219554\\_ESDM-December-2023.pdf](https://www.ibef.org/download/1707219554_ESDM-December-2023.pdf))

## **OUR BUSINESS**

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 19 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Restated Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations” beginning on pages 25, 142 and 214, 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.*

*Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Information included in this Draft Red Herring Prospectus. For further information, see “Restated Financial Information” beginning on page 142 of this Draft Red Herring Prospectus. We acquired Sahasra Semiconductors Private Limited in May 02, 2024, and we have included proforma condensed combined financial information for Fiscal 2024 to illustrate the impact of the acquisitions as if the acquisitions had taken place on April 01, 2023 under “Proforma Financial Information” on page 205 of this Draft Red Herring Prospectus.*

### **BUSINESS OVERVIEW**

Our Company is an EN 9100:2018 (equivalent to AS 9100D and JISQ 9100:2016, including ISO 9001:2015) certified company, which is engaged in the business of providing solutions towards electronics system design and manufacturing (“ESDM”) services at its manufacturing plant located at 68AA, NSEZ, Nepz Post Office, Gautam Buddha Nagar, Noida, Uttar Pradesh - 201305, which is equipped with four high speed SMT lines having a total capacity of around 1800000 units. We provide product and solutions right from printed circuit board (“PCB”) assembly, Box Build, LED lighting. Memory, IT accessories, computer and IT hardware. We have made export of over 80% of our products and solutions during the FY 2024 to certain global manufacturers located in countries like United States of America, Rwanda, Tunisia, United Kingdom, Germany, Canada, Austria & Belgium.

Our current product portfolio may be categorized as follows:

1. Printed circuit board assemblies (“PCBA”): Our PCBAs are used in products manufactured in the automotive, medical, industrial, IT and consumer products industries, and shall include box-build products such as laptop and tablets;
2. LED Lighting solutions, which include LED Chip – the source of the lightning, power supply or the driver, printed circuit board for LED’s, housing or the frame.
3. Computer and IT accessories, which include motherboards, DRAM modules, solid state drives (SSD), USB drives and other memory products and IT accessories.

Our Promoter and Managing Director, Amrit Lal Manwani, was earlier undertaking the business of trading of diesel as a sole proprietorship concern in the name of Northern Petroleum Company, which later entered into the business of PCB assembly during the FY2021 under the name of Sahasra Electronic Solutions, which was during the year 2023 acquired by our Company on a going concern basis. Further, we have during the FY 2024-25, acquired controlling stake in Sahasra Semiconductor Private Limited, which became the subsidiary of our company, having a Semiconductor Packaging Facility at Bhiwadi, Rajasthan which is engaged in the manufacturing of electronic components like integrated circuits, chips, semiconductor devices, eMMC, mSD, COBs, COB based USBs, LED drivers IC, BGA, NAND flash & memory products. Also, we sell our LED lighting solutions to Sahasra Electronics Rwanda Private Limited, which is a subsidiary of our group company Sahasra Electronics Private Limited, which further sell these LED lighting solutions to countries like Rwanda etc.

We operate through our manufacturing facility situated at 68AA, NSEZ, Noida, Uttar Pradesh, which is located in a Special Economic Zone. Our manufacturing facilities include engineered layout with process controls and necessary automations for quality and productivity. This allows us to keep our core competencies within our Company, allowing us to ensure strict quality control and safety at each step of our manufacturing process. Our manufacturing facilities comprises of four SMT lines equipped with machines including RMTS high speed clip machine, surface mount technology (“SMT”) machines, lead free wave soldering machine, PCBA router, high speed compact modular mounter, reflow oven and surface cleaning machines. Additionally, we have also installed quality inspection machines such as high speed PWB inspection, PWB Visual inspection and X-Ray inspection machines to ensure the high standards of product quality. Our manufacturing facility is staffed with a workforce of approximately 160 employees, as of March 31, 2024 which includes a team of around 35 engineers dedicated to enhancing our operational efficiency.

The components required for PCB Assembly or box build assembly are either imported or sourced from local suppliers and then assembled at our manufacturing facilities. Our manufacturing capabilities have enabled us to address our consumers’ diverse needs, enhance existing products with emerging technologies, develop of new products and optimize costs across our products range through value analysis and value engineering. We are an EN 9100:2018 certified company (equivalent to AS 9100D and JISQ 9100:2016, including ISO 9001:2015) for Quality Management System for manufacturing of PCB assemblies. Our in-house R&D team, in addition to undertaking electronics hardware designing, system architecture, mechanical design, component engineering and optics design, also assists our customers in cost reduction through product engineering. This enables us to address consumer requirements across geographies and enhance existing products with emerging technologies.

Our Company has on June 15, 2023 entered into an agreement for a term of 3 years with a company engaged into the business of designing and marketing of hardware and software products like laptops, tablets, servers and IT peripherals for the supply of laptops, tablets, motherboards and related PCBA's as per the specification and purchase orders placed by the customer from time to time.

We have developed long relationships with certain of our customers through a client servicing model which aims to provide integrated solutions, robust manufacturing capabilities and delivering quality products on time. For better quality and customer satisfaction we entrench with the customers from the conception of their product, and subsequently move up the value chain with them by leveraging our integrated offerings. In addition to maintaining our relationships with existing customers, we have increased our key customer base over time from around 20 customers in Fiscal 2022 to around 40 customers in Fiscal 2024. Over the years, we have established a diversified client base across multiple end-use industries Railways, Aerospace, Marine, Automobile, Healthcare, IT Hardware etc., which help us minimize customer's concentration risk.

We are led by our Promoters who have significant experience in the ESDM industry. Our promoter & Managing Director, Amrit Lal Manwani is an engineering graduate from IIT Kanpur & MBA from FMS, Delhi University. He has worked with many companies engaged in the electronic manufacturing services industry for about 20 years, before he began his entrepreneurial journey. Varun Manwani, our Promoter and Non-executive Director is an economics graduate and is responsible for the growth and expansion plans of the company, Arunima Manwani, our Promoter and Whole-time Director is a commerce graduate and looks after the creating and formulation of strategic business plans, research & development and track technology advancements. Under their leadership we have been able to expand our operations and have established a significant presence in India and abroad. We also have a qualified and experienced team who have along with our management have demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships.

### Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Particulars	As of and for the year/period ended			
	March 31, 2024	February 22, 2023 to March 31, 2023	April 1, 2022 to February 21, 2023	March 31, 2022
Revenue from Operations <sup>(1)</sup>	10115.27	1043.1	5865.23	2175.65
EBITDA <sup>(2)</sup>	3526.58	246.23	1876.88	377.48
EBITDA Margin <sup>(3)</sup>	34.86%	23.61%	32.00%	17.35%
Profit After Tax (PAT)	3262.77	230.55	1794.56	250.17
PAT Margin <sup>(4)</sup>	32.26%	22.10%	30.60%	11.50%
ROE <sup>(5)</sup>	54.09%	11.37%	73.70%	16.44%
ROCE <sup>(6)</sup>	42.50%	9.11%	56.81%	16.30%

#### Notes:

<sup>(1)</sup>Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

<sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income

<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(5)</sup>Return on Equity is ratio of Profit after Tax and Shareholder Equity

<sup>(6)</sup>Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

### OUR COMPETITIVE STRENGTHS

#### Dedicated solutions for ESDM services.

With a focus on our customers' needs, we offer well diversified solutions comprising PCB assembly, box build assemblies and design solutions. Our services include PCB assembly, wire harness, box build solutions, IT hardware products, with manufacturing lines that cater to high end enterprise solutions. Further, we focus on continually expanding our technological expertise in manufacturing for diverse industries, integrating our services, and thereby enhancing our capability to serve multiple industry verticals. Our capability to manufacture and supply quality products ensures customer satisfaction, fosters customer loyalty and generates repeat business. Additionally, the continuous learning from our diversified experience enhances the knowledge level of our workforce, makes it capable of delivering solutions and creates talent. The diversification and expansion of our product portfolio is primarily driven by the needs of our customers and technological advancements in the industry. As a part of our diversification strategy, we have during the FY2024-25 acquired controlling stake in our subsidiary namely Sahasra Semiconductor Private Limited, which is engaged in the business of manufacturing of semiconductor devices, eMMC, mSD, COBs, COB based USBs, LED drivers IC, BGA, NAND flash & memory products.

Set out below is our revenue from operations by our products and service offerings.

(amounts in ₹ Lakhs except percentages)

Product Name	March 31 2024	% to Total Sales	upto March 31 2023	% to Total Sales	upto 21 February 2023	% to Total Sales	March 31, 2022	% to Total Sales
Printed circuit board assemblies ("PCBA")	8818.10	87.18	1014.35	97.24	5703.27	97.25	1627.68	75.00
SSD, USB Flash Storage Device	1024.15	10.13	29.75	2.76	105.50	1.80	144.89	6.68
Led Lighting Solutions	232.62	2.30	-	-	55.92	0.95	397.54	18.32
Computer and IT accessories	39.82	0.39	-	-	-	-	-	-
<b>Total</b>	<b>10114.69</b>	<b>100.00</b>	<b>1043.10</b>	<b>100.00</b>	<b>5864.70</b>	<b>100.00</b>	<b>2170.11</b>	<b>100.00</b>

#### *Established relationships with customers across various countries*

Our product portfolio and quality assurance has helped us establish strong relationships with our major clients. We have established and will continue to focus on strengthening long-standing relationships with customers across different industries that we cater to. The varied applications of our products have helped us build a wide customer base across many end-use industries. Our customers across the end-use industries that we cater to, include Railways, Aerospace, Marine, Automobile, Healthcare, IT Hardware etc. Our wide customer base across various sectors reduces our dependence on any one end-use industry and provides a natural hedge against market instability in any particular end-use industry. Our products are distributed in India and overseas, in over 10 different countries, including the United States, Rwanda, Tunisia, United Kingdom, Germany, Canada, Austria, Belgium, Norway & Panama. During the Fiscals 2022, 2023, and 2024, our revenue from operations, attributable to exports was ₹ 2038.30 lakhs, ₹ 6803.39 lakhs & ₹ 8503.97 lakhs, which accounted for approximately 93.93%, 98.46%, and 83.57%, respectively of our total revenue from operations. Our strong customer base has not only been instrumental in our success to date, but will be a strong driver of our future growth and help expand our market share, develop new products and enter newer markets. For instance, Our Company has on June 15, 2023 entered into an agreement for a term of 3 years with a company engaged into the business of designing and marketing of hardware and software products like laptops, tablets, servers and IT peripherals for the supply of laptops, tablets, motherboards and related PCBA's as per the specification and purchase orders placed by the customer from time to time. Pursuant to this agreement, our company will be able to expand its market share in the box build segment with increased focus towards manufacturing of laptops, tablets and servers. Our customer-focused approach to our operations ensures that any issues raised by our customers are immediately addressed.

#### *Established manufacturing capabilities*

We currently operate through our manufacturing facility located at 68AA, NSEZ, Noida, Uttar Pradesh, that is supported by around 160 permanent employees (as on March 31, 2024). Our manufacturing facility is located in a special economic zone, which allow us to avail certain tax and other benefits in respect of the products manufactured and exported out of these facilities. We have established ERP platform which will result in better control and centralised databases for components, vendors, quality and supply chain, which will lead to productivity improvements and efficient management. For the manufacturing of our PCBA products, our manufacturing facilities are equipped with modern and high-speed equipment that can handle surface mount components and through hole components. These machinery and equipments allow us to reduce manual intervention in the manufacturing process, thereby improving the product quality. In addition to the above, we have also installed inspection and testing machines at each stage of our operations and use coding for inspection and tracing of defects if any. These testing machines ensure that each and every component on the PCBA are tested effectively and ensure high reliability. As a part of our continuous process improvement plan, we also have installed X-ray machine, microscope, AOI machines etc. that are used for testing and inspection at different stages of production. These equipment helps us identify and correct any defects that may happen in the manufacturing process. Our competitive approach along with our engineering capabilities enable us to meet the stringent requirements of our customers. We make use of technology and manufacturing execution systems to enhance our workflows and manufacture quality and reliable products. In addition, our ability to rapidly implement design or manufacturing process improvements grants us the flexibility to optimize the use of our manufacturing facilities. Our in-house design capabilities that comprise a design team, also contribute to our efficiency and stringent quality control. Our manufacturing capabilities also enable effective control over quality, manufacturing costs and product development, further empowering us to service customer requests in an efficient manner, while better managing our manufacturing and administrative costs.

#### *Quality Assurance*

Our Company is dedicated towards quality of our products, processes and input materials and components. We are accredited with EN 9100:2018 (equivalent to AS 9100D and JISQ 9100:2016, including ISO 9001:2015) compliances at its manufacturing plants located at 68AA, NSEZ, Noida, Uttar Pradesh. We have established ERP platform at our manufacturing facility with a view to adhere to quality standards as prescribed by our customers and to meet the desired requirements. Delivering Quality products on time is one of our prime objectives. We have dedicated our resources for quality assurance to ensure that quality norms are continually met. We also have quality control checks before any consignment of material or components are accepted since it has

a direct impact on the quality of Finished Product. The ability to consistently deliver high-quality products to customers is critical to our business. Our quality assurance department conducts various tests such as solder paste testing, visual inspection components testing, functionality test and reliability test of the PCBA to ensure that our end products adhere to our quality policies.

***Experienced Promoters, management and operating team***

The Promoters of our Company are Amrit Lal Manwani, Varun Manwani and Arunima Manwani, who have wide experience in the field of EMS, and they have been instrumental in the growth of our business. We also have a diversified Board of Directors, which is supplemented by a strong management team with extensive experience in the electronic manufacturing sector. Our Promoter and Managing Director, Amrit Lal Manwani, is an engineering graduate from IIT Kanpur & MBA from FMS, Delhi University. He has worked with many companies engaged in the electronic manufacturing services industry for about 20 years, before he began his entrepreneurial journey. Varun Manwani, our Promoter and Non-Executive Director is an economics graduate and is responsible for the growth and expansion plans of the company, Arunima Manwani, our Promoter and Whole-time Director is a commerce graduate and looks after the creating and formulation of strategic business plans, research & development and track technology advancements. Our experienced management team enables us to capture market opportunities, formulate and execute business strategies, manage client expectations, and proactively manage changes in market conditions. The quality and experience of our management team has been critical in achieving our business results and allowing us to make strategic and timely business decisions in response to evolving customer needs and market conditions.

**OUR BUSINESS STRATEGIES**

***Diversification of our product range***

We have continuously sought to diversify our product portfolio which could cater to customers across various end-use industries and geographies. Accordingly, while we seek to continue to strengthen our existing product portfolio, we also intend to further diversify into products with prospects for increased growth and profitability by leveraging our R&D capabilities. We also plan to continue to increase offerings in our current business segments as well as diversify into new products by tapping into segments which in the view of our management have attractive growth prospects. Further, looking towards the opportunities in the laptop and tablet market, we are intending to expand our market share in the IT hardware and equipment sectors with added focus towards laptop and tablets. We believe that, we can leverage our experience in the PCBA and box build technology and expand our market shares by focusing on these areas. Further, we have during the FY 2024-25, acquired controlling stake in Sahasra Semiconductor Private Limited, which has become the subsidiary of our company, having a Semiconductor Packaging Facility at Bhiwadi, Rajasthan which is engaged in the manufacturing of electronic components like integrated circuits, chips, semiconductor devices, eMMC, mSD, COBs, COB based USBs, LED drivers IC, BGA, NAND flash & memory products.

***Pursue inorganic growth through acquisitions***

In conjunction to our organic growth strategies, we have in the past, and going forward, intend to continue pursuing strategic acquisitions by selectively evaluating targets or partners for strategic acquisitions and investments. We have expanded our business and operations through acquisitions and integration of operations with our operations, and we intend to continue our strategic expansion plans through inorganic growth opportunities in sectors that complement our existing operations. Our acquisitions include the acquisition of Sahasra Semiconductors Private Limited in FY2023-24 and FY2024-25. Our acquisition will enable us access to serve the semiconductor requirements in different parts of the country and around the world. We may pursue similar opportunities to undertake acquisitions (i) that allow us to enhance our scale and market position; (ii) that allow us to strengthen our range of product offerings and customer base; and (iii) that enable access to new clients and enter high-growth geographies in a cost effective manner and provide us with a platform to extend our reach to new geographic markets within India; and (iv) that add new products to our portfolio or that allow us to enter strategic businesses to capture additional revenue opportunities from our existing customer base. We believe that our experience, track record and conservative approach of identifying and implementing our inorganic growth strategy will enable us to acquire and successfully integrate new businesses.

***Increase our geographical reach and expand our customer base***

Our customer base is stretched across domestic and international market. We continually seek to enhance our addressable market through our sales and marketing initiatives. We seek to expand our global reach, through increased customer acceptance of our products in international markets. We seek to enter new international markets. Owing to pricing pressures, customers’ are seeking cost-competitive alternatives, giving opportunities for manufacturing of high complex PCBA with high tech, high mix, BGA/Micro BGA, Flex circuit, System Integrated Turnkey Assembly, Mechanical Assembly, Cable Assembly and testing of all electrical Assemblies. We believe we are well positioned to partner with these customers, backed by our capabilities of manufacturing quality products. The table below sets forth details of the geographies where we export our products and services for the last three financial years:

*(amounts in ₹ Lakhs except percentages)*

Countries served	March 31, 2024	%	March 31, 2023	%	March 31, 2022	%
USA	8011.05	78.73	6459.72	93.49	1612.18	74.29
African Countries	364.26	3.58	97.17	1.41	417.79	19.25

Countries served	March 31, 2024	%	March 31, 2023	%	March 31, 2022	%
United Kingdom	30.14	0.30	24.61	0.36	1.10	0.05
European countries	55.55	0.55	25.55	0.37	0.17	0.01
Canada	39.44	0.39	179.76	2.60	-	-
India	1671.63	16.43	106.14	1.54	131.82	6.07
China	1.73	0.02	-	-	-	-
Gulf Countries	1.80	0.02	0.41	0.01	0.29	0.01
Hongkong	-	-	16.17	0.23	6.77	0.31
	<b>10,175.60</b>	<b>100.00</b>	<b>6,909.53</b>	<b>100.00</b>	<b>2,170.12</b>	<b>100.00</b>

**Invest in expanding our technological capabilities and manufacturing capacities**

We intend to continue to invest in technology infrastructure to enable further technical innovation, improve our operational efficiencies, increase customer satisfaction and improve our sales and profitability. We intend to continue to focus on optimizing and automating our manufacturing processes to improve returns in a rapidly changing technological environment. We are proposing to utilize ₹ 6,028.04 lakhs towards expansion of our manufacturing capabilities. We have taken premises on lease basis from our Group company Sahasra Electronics Private Limited at Plot no B-3/1, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar-301019, Rajasthan for installation of the additional production line for further expansion of our manufacturing capabilities. We constantly endeavor to reduce the costs of our operations while ensuring the quality of our products. Further, by expanding our technological capabilities we intend to be more cost-efficient player in each of the products we manufacture. Economies of scale will also enable us to continuously improve our operational efficiencies. We will continue with this strategy of Invest in expanding our technological capabilities and manufacturing capacities which will also help us in attaining cost efficiency.

**DESCRIPTION OF OUR BUSINESS**

We offer manufacturing solutions for PCB assembly, wire harness, box build solutions, LED lighting solutions and IT hardware products and enterprise solutions. We manufacture motherboards and server systems and enterprise grade SSD/memory solutions for domestic and overseas customers. Our business model navigates the entire value chain (prototyping, sample batch and mass production) and lifecycle management and support. We sometimes enter into supply agreements with our customers. These agreements outline the role and responsibilities of both the parties. These includes details regarding manufacturing terms, purchase order, pricing, payment and delivery terms, quality assurance obligations, defective product representations and warranties.

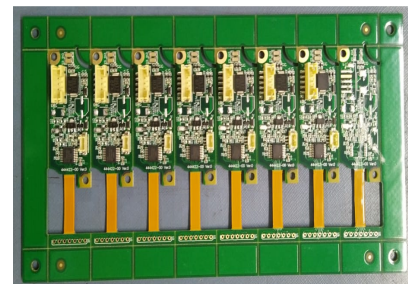
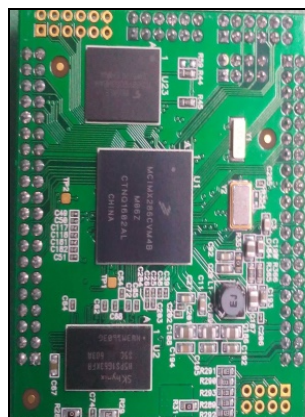
**OUR PRODUCTS**

The products currently manufactured by us are provided below:

**PCBA (Printed Circuit Board Assembly)**

PCB assembly, also called board assembly, PCBA, or electronic assembly, refers to the process of soldering and assembling electronic components onto a printed circuit board (PCB) to produce a functional electronics subassembly. It's a crucial component in the manufacturing process of electronic devices, where individual electronic components are soldered onto a printed circuit board (PCB) to create a functional electronic assembly. It may involve both through-hole and surface mount components.

*Industry applications:* The PCBA are used in the electronic components which require to undertake different functionalities. The PCBA are embedded into electronics devices which are used in various industries like aerospace, railway, automobile, healthcare, computer hardware etc.



## LED Lighting solutions

LED lighting solutions encompass a wide range of products and applications, from residential to commercial and industrial applications. Majority of our LED lighting business is dependent on one of our Group company i.e. Sahasra Electronics Rwanda Private Limited.

*Industry applications:* Residential lighting solutions, industrial lighting like warehouse lighting, manufacturing lighting, packaging lighting and commercial lighting like office, outdoor etc.



## Computer and IT accessories

We manufacture various of information technology related products, including motherboards, DRAM modules, SSD and USB drives. We further focus to increase our share in the laptop and tablet market as a part of our future strategy looking towards the demand in the market. The manufacturing processes for these products are similar to the processes undertaken for the PCBA described above. In addition, these products undergo extensive testing, which include stress tests, burning test and reliability/compatibility tests. The plastic components and outer body part of these IT accessories are procured from the nominated vendors of the company or customers as per the terms of the purchase orders.

*Industry applications:* These products are used in manufacture of computers, laptops, video games and data storage devices.

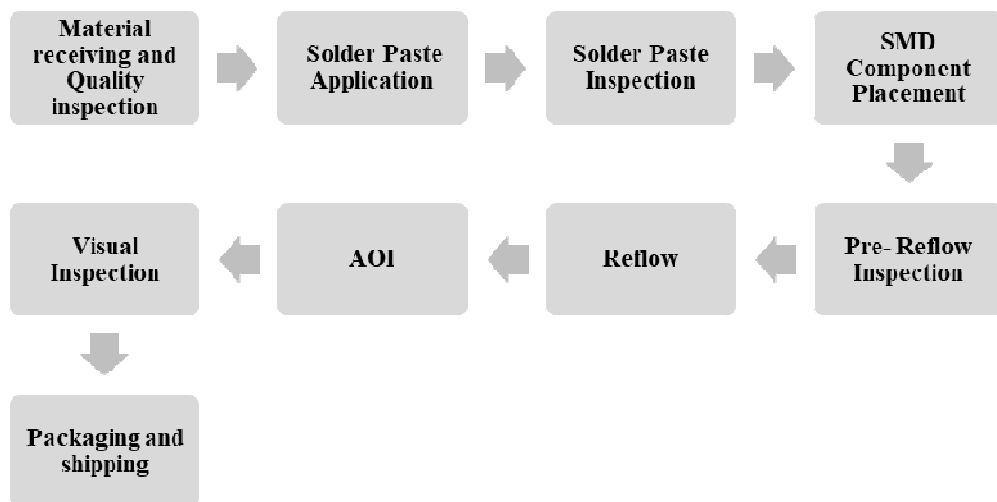


## OUR FACILITY





**Business Process Flow**



1. **Material Receipt and Quality inspection** – This step involve the receipt of bare PCB and other different components like micro controllers, IC, resistors, capacitors, LED, PCB and other semiconductors etc. Which are mounted on the PCB. Post the



receipt of these input materials we undertake the inspection of the different components and base PCB. We undertake different checks like de-lamination test (as per sampling plan), Check for scratches and perform masking adherence-tape test (as per sampling plan).

2. **Solder Paste application** - A bare PCB is passed through the machine and the solder paste (a combination of lead, tin and in certain cases silver powder suspended in thick flux) is deposited on the board through software program and stencil are loaded onto the machine. The software program and stencil is loaded into the system, which is specific to the customer requirements.
3. **Solder paste inspection** - The inspection program is loaded onto the solder paste inspection machine. The board are inspected for proper alignment, total pads coverage, even solder paste deposition, solder paste height, solder bridging.
4. **SMD component placement** - After solder paste printing is brought into the machine through conveyor and the components to be placed on the PCB are loaded in bulk packages through different feeders. The feeder and the location where the component is to be placed on the board are defined in a program. The pick and place machines are used for this activity which can be performed by our automated system. Automatic component mounting ensures quick, precise and error-free process.
5. **Pre-reflow inspection** – Under this step we verify that all components are placed on the board, checking that the components are not shifted from their pad on the board and adequacy of solder paste deposition on the pads of the components placed on the PCB.
6. **Reflow** - During re-flow process, the PCB with components placed on solder paste deposits is moved through a conveyor. There are multiple heating zones in the oven. The temperature of each of the zone is set based on the temperature profile measured on the PCB during the movement of the PCB through the oven. During this process, the solder paste gets converted from paste form to solid form and the electrical connection from components to the pad on the board is established.
7. **AOI** - After reflow soldering, the PCB from reflow oven is passed onto automatic optical inspection system. Here the soldering qualities as well as the identity of the components are verified with reference to the system programs.
8. **Inspection** – This step involve inspection of the PCBA along with the components mounted on it. In most cases, a template is used for manual inspection to inspect the soldered connections. The company also use machines like X Ray machines etc. for inspection of the PCBA.
9. **Packaging and shipping** - All PCBAs are than packed which helps in prolonged storage after delivery. Packing boxes are determined by the customer based on the project’s needs.

#### Capacity and Capacity Utilization

Product Details	March 31, 2024			March 31, 2023			March 31, 2022		
	Installed Capacity (in UOM)	Actual Production (in No.)	%	Installed Capacity (in UOM)	Actual Production (in No.)	%	Installed Capacity (in UOM)	Actual Production (in No.)	%
Printed circuit board assemblies (“PCBA”) including Led Lighting Solutions, SSD, USB Flash Storage Device, Computer and IT accessories	18,00,000	9,90,048	55.00	18,00,000	7,57,056	42.06	11,04,000	3,33,396	30.20

As per the certificate dated May 02, 2024 received from Kakode Associates Consulting Private Limited, Chartered Engineer.

#### QUALITY CONTROL

We place strong emphasis on product and process quality control, which we consider crucial to our success. We have established a strict quality management system, which is designed to ensure quality product design, production efficiency and high yields at our manufacturing facilities. Quality checks are undertaken at various stages, including for incoming raw material / components, during the work in process stage, at packaging and lastly, a quality check is undertaken prior to dispatch of our products. We have obtained EN 9100:2018 certificate (equivalent to AS 9100D and JISQ 9100:2016, including ISO 9001:2015) for Quality Management System for manufacturing of PCB assemblies.

#### EXPORT OBLIGATION:

Our Company have the below mentioned export obligation pursuant to the letter of approval issued by the SEZ authorities, as on date of this Draft Red Herring Prospectus –

(in ₹ Lakhs)

Particular	2025	2026	2027	2028	2029
FOB value of Export	13000	13800	14500	15000	15500
Foreign exchange outgo for 5 years	8390	8802	9244	9565	9880
NFE earnings for 5 years	4610	4998	5256	5435	5620

### Collaborations/ Tie Ups/ Joint Ventures

Except as disclosed in this Draft Red Herring Prospectus and normal course of business, we do not have any collaborations/ Ties Ups/Joints Ventures as on date.

### INFRASTRUCTURE FACILITIES:

#### 1) Plant & Machinery

The major plant & machinery installed at our manufacturing facility is as under:

PCB Loader and Unloader, Paste Printer, Linking Conveyer, Pick & Place Machines, Reflow machines, Automatic Optical Inspection Machine, X-Ray Machine, Robotic Soldering Machine, Wave Soldering Machine, Ultra Sonic welding machine, Vacuum Sealing Machine, Chip counting machine, wave sering machine, wire cutting, crimping and stripping machine, Automatic PCBA router, Dry Cabinet, Compact modular mounter, PWB inspection, etc.

#### 2) Availability of Raw Material and components

Our raw materials include:

Electronic Components (like micro controllers, IC, resistors, capacitors, LED, PCB and other semiconductors): We procure these components directly from overseas manufacturers from countries like: United States, China, Taiwan etc. or their authorized distributors. Many times, PCB are also procured from our group company namely Infopower Technology Private Limited. Apart from this we procure wire harness, plastic parts and other consumables. These products are procured from approved vendors. Strict quality control procedures, including third party testing, are carried out to ensure compliance with our quality specifications. Our cost of materials consumed constituted a significant component of our expenditure and during the Fiscal 2024, 2023 and 2022 were ₹ 5310.35 lakhs, ₹ 3824.10 lakhs and ₹ 1569.70 lakhs respectively, and constituted 77.42%, 76.19% and 79.76%, respectively, of our total expenses. Our purchases from our top 10 suppliers during the Fiscal 2024, 2023 and 2022 were ₹ 3751.77 lakhs, ₹ 2599.55 lakhs and ₹ 1124.19 lakhs respectively, and constituted 56.80%, 79.52% and 64.36%, respectively, of our total purchases.

#### 3) Power and fuel:

The requirement of power in our manufacturing facility at Noida SEZ is met through Pashchimanchal Vidhyut Vitran Nigam Limited. We use generators to meet exigencies to ensure that our facility is operational during power failures.

#### 4) Water:

We do not require water for our manufacturing activities. The water requirement for other activities is met through local sources.

### Sales and Marketing

Our principal markets are India, United States, Hongkong, United Kingdom, Spain, Mexico, Austria, Canada, China, Denmark, Germany, Israel, Libya, Rwanda, South Korea & Tunisia. Our diversified customer base enables us to reduce our dependence on any particular segment or market. Our marketing activities involve our development and engineering teams working closely with customers or prospective customers, and our design and manufacturing facilities work to design products tailored to meet specific customer requirements. Further, our sales and marketing team is regularly in contact with our customers, sales representatives and agents to understand the evolving needs of customers as well as market trends.

Our revenue from domestic and export sales is as under:

(in ₹ Lakhs)

Particular	March 31, 2024		March 31, 2023		March 31, 2022	
	Amt.	%	Amt.	%	Amt.	%
Domestic	1671.63	16.43	106.14	1.54	131.82	6.07
Export	8503.97	83.57	6803.39	98.46	2038.30	93.93
<b>Total</b>	<b>10175.6</b>	<b>100.00</b>	<b>6909.53</b>	<b>100.00</b>	<b>2170.12</b>	<b>100.00</b>

## Competition

We operate in the ESDM industry, which is very competitive with high growth. Our competition varies by market, geographical areas and type of products manufactured. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. We compete primarily on the basis of product quality, technology, cost, delivery and service. Due to our diversified product portfolio, we cater to various segments in the Railways, Aerospace, Marine, Automobile, Healthcare, IT Hardware etc., and as a result, we compete with various companies for each of our business segments.

## Human Resource

We have in our team qualified, technical, skilled and unskilled personnel who are abreast with the updated manufacturing norms. They are committed & dedicated to maintain the specified standard, quality & safety of our products and services. As on March 31, 2024, our Company has employed approximately 160 employees at various levels of the Organization. Below are the details of the department-wise employees of the company –

Department	Employees as on March 31, 2024
HR & Administration	12
Designing & Quality control	22
Finance	7
Production	92
Purchase & Store	17
Sales & Marketing	10
<b>Total</b>	<b>160</b>

Further, we also employ contract labour based on the requirement at our manufacturing facility.



## Insurance

Operating our business involves many risks, which, if not insured, could adversely affect our business and results of operations. We maintain insurance coverage that we consider customary in the industry against certain of the operating risks. Our insurance policies include vehicle insurance, Marine Cargo Insurance, Bharat Laghu Udyam Suraksha Policy for our Plant, Machinery, Stock, Furniture and Building and Burglary Insurance Policy. We believe that our current level of insurance is adequate for our business and consistent with industry practice, and we have not historically experienced a loss in excess of our policy limits. We may not be able to obtain insurance coverage in the future to cover all risks inherent in our business, or insurance, if available, may be at rates that we do not consider to be commercially reasonable.

## PROPERTIES

### Intellectual Property

Below are the details of the trademark which our company is using for its business purposes. For details of our intellectual property rights, see “*Government and Other Approvals*” on page 226 of this Draft Red Herring Prospectus.

Sr No.	Name Applied	Nature	Application Date	Registration No.	Class	Present Status
1.	SAHASRA	Trademark	January 29, 2015	2892278	9	Registered
2.	SAHASRA	Word Mark	March 28, 2022	5387941	9	Registered
3.		Device Mark	May 07, 2013	2526527	11	Registered
4.		Device Mark	May 07, 2013	2526526	11	Registered

\*The all above trademarks are owned by Sahasra Electronics, Proprietorship Firm of Amrit Lal Manwani (Chairman, Managing Director & Promoter of the company) who has granted the company a No Objection Certificate (NOC) dated April 23, 2024, for business purposes.

**Immovable Properties**

Details of our immovable properties are as below:

S. No.	Address of Property	Actual Use	Owned/Leased	Details of property
1.	33, Pocket 1, Jasola Vihar, New Friends Colony, South Delhi, New Delhi, India – 110025	Registered Office	Leased	The property admeasuring 300 sq. feet has been taken on lease vide a lease deed dated January 01, 2024 entered with Varsha B P Manwani valid for 11 months starting from January 01, 2024 to November 30, 2024 at a monthly rent of ₹ 15,000 per month.
2.	68AA, Noida Special Economic Zone, Noida – 201305, India	Corporate Office and Manufacturing Facility	Leased	The property admeasuring land area of 1000 sq. meters has been taken on lease vide a lease deed dated October 06, 2023 entered with Chairperson and Chief Executive officer, Noida SEZ Authority Noida valid for 15 years at a quarterly rent of ₹ 47,750 per quarter.
3.	A-4 Phase-II, Gautam Buddha Nagar, Noida-201305 Uttar Pradesh	Warehouse	Leased	The property has been taken on lease vide a lease agreement dated April 12, 2024 entered with Infopower Technologies Private Limited (Infopower Technologies Limited) valid for 11 months starting from April 12, 2024 to March 11, 2025 at a monthly rent of ₹ 60,000 per month.
4.	Plot no B-3/1, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar-301019, Rajasthan India	Proposed expansion	Leased	The property admeasuring land area of 1,500 sq. meters has been taken on lease vide a lease agreement dated June 15, 2024 entered with Sahasra Electronics Private Limited valid for 5 years starting from June 15, 2024 at a monthly rent of ₹ 75,000 per month.

Details of the manufacturing facility of our Subsidiary Company are as below:

S. No.	Address of Property	Actual Use	Owned/Leased	Details of property
1.	Plot no B-2, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar, Rajasthan- 301019, India	Manufacturing Facility	Leased	The property admeasuring land area of 8,225.60 sq. meters has been taken on lease vide a lease deed dated November 12, 2020 entered with Elcina Electronics Manufacturing Cluster Private Limited valid upto August 25, 2113 for a consideration of ₹ 496.69 lakhs and O&M charges on land area.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable.*

*For details of such approvals, please see the section titled “Government and other Approvals” on page 226 of this Draft Red Herring Prospectus -*

### **INDUSTRY SPECIFIC REGULATIONS**

#### **The Bureau of Indian Standards Act, 2016**

The BIS Act provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, inter-alia, (a) recognizing as an Indian standard, any standard established by any other institution in India or elsewhere, in relation by any other institution in India or elsewhere, in relation to any article or process; (b) specifying a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c), make an inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

#### **Bureau of Indian Standards Rules, 2018**

The Bureau of India Standards Rules, 2018 (the “Bureau of Indian Standards Rules”) have been notified, in super session of the Bureau of Indian Standards Rules, 1987, in so far as they relate to Chapter IV A of the said rules relating to registration of the articles notified by the Central Government, and in supersession of the Bureau of Indian Standards Rules, 2017 except in relation to things done or omitted to be done before such supersession. Under the Bureau of Indian Standards Rules, the bureau is required to establish Indian standards in relation to any goods, article, process, system or service and shall reaffirm, amend, revise or withdraw Indian standards so established as may be necessary.

#### **Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2021**

The Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2021 (the “Compulsory Registration Order”) has been notified in supersession of the Electronics and Information Technology Goods (Requirement for Compulsory Registration) Order, 2012. The Compulsory Registration Order states that the manufacturing, storage, import, sale or distribution of goods, which do not meet the specified standard and/or bear a self-declaration confirming conformance to the relevant Indian standard is prohibited. Such goods shall also bear the “Standard Mark” under a license from the Bureau of Indian Standards in accordance with the Bureau of Indian Standards (Conformity Assessment) Regulations, 2018. The only exception is for those goods or articles which are meant for export which conform to the specification required by the foreign buyer and to goods or articles, for which the Central Government has issued a specific exemption letter, based on reasons to be recorded in writing.

#### **Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010 (“Safety and Electric Supply Regulations”)**

The Safety and Electric Supply Regulations lay down regulations for safety requirements for electric supply lines and accessories (meters, switchgears, switches and cables). It requires all relevant specifications prescribed by the BIS or the International Electro-Technical Commission to be adhered to. These include all electric supply lines and accessories to:

- have adequate power ratings and proper insulation;
- be of adequate mechanical strength for the duty cycle;
- have a switchgear installation in each conductor of every service line within a consumer’s premises; and
- be encased in a fireproof receptacle.

The construction, installation, working and maintenance of such supply lines must be in a method which will ensure the safety of human beings, animals and property.

#### **The Electrical Wires, Cables, Appliances and Protection Devices and Accessories (Quality Control) Order, 2003 (“Quality Control Order”)**

The Quality Control Order sets out directions and specified standards for a manufacturer for the manufacture, storage for sale, sale and distribution of electrical wires, cables, appliances, protection devices (including low voltage switchgear and fuses) and

accessories. It prohibits those products which do not conform to standards specified and those which do not near the standard mark issued by the Bureau of Indian Standards (“BIS”), and further requires any sub-standard or defective electrical wires, cables, appliances, protection devices or accessories to be deformed by such manufacturer beyond use and disposed of as scrap. Further, it directs that the commencement of manufacturing of such electrical equipment can only after obtaining a license from the BIS for the use of standard mark. The Quality Control Order is issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”). The Central Government is authorized to appoint an officer who shall be empowered to inspect any books or documents, search any premises, seize any electric equipment, as well as require any person engaged in the manufacture, storage, sale or distribution of electrical equipment to furnish information and samples, in the case of contravention of the Quality Control Order.

### **The National Policy on Electronics, 2019 (“NPE”)**

The NPE is issued by the Ministry of Electronics and Information Technology, Government of India. The NPE envisions positioning India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

### **The Indian Telegraph Act, 1885 (“Telegraph Act”)**

The Telegraph Act governs all forms of the usage of ‘telegraph’. The term ‘telegraph’, as defined under the Telegraph Act means any appliance, instrument, material or apparatus used or capable of use for transmission or reception of signs, signals, writing, images, and sounds or intelligence of any nature by wire, visual or other electro-magnetic emissions, radio waves or hertzian waves, galvanic, electric or magnetic means. As per section 4, the exclusive privilege of establishing, maintaining and working telegraphs shall be with the central government or with persons licensed under section 7 of the Telegraph Act. A contravention of the conditions prescribed in the license granted under section 7 is punishable under section 20A of the Telegraph Act with a fine which may extend to ₹ 1000, and with a further fine which may extend to ₹ 500 for every week during which the breach of the condition continues.

The Telegraph Act gives the government the power to make rules for conduct of all telegraphs established, maintained or worked by the government. This includes rules governing the conditions and restrictions subject to which any telegraph line, appliance or apparatus for telegraphic communication shall be established, maintained, worked, repaired, transferred, shifted, withdrawn or disconnected. Further, the rules prescribed by the central government may prescribe the fines for any breach of such rules. Pursuant to section 7(3), a person licensed under the Telegraph Act is punishable for breach of these rules, with a fine of ₹ 1,000, and in the case of a continuing breach a further fine of ₹ 200 for every day after the first during the whole or any part of which the breach continues.

### **The Indian Wireless Telegraphy Act, 1933 (“Telegraphy Act”)**

The Telegraphy Act regulates the possession of ‘wireless telegraphy apparatus’ in India. The term ‘wireless telegraphy apparatus’ has been defined to mean any apparatus, appliance, instrument or material used or capable of use in wireless communication, and includes any article determined by rule made by the central government with respect to the maintenance of records containing details of the acquisition and disposal by sale or otherwise of wireless telegraphy apparatus possessed by dealers. However, it does not include any such apparatus, appliance, instrument or material commonly used for other electrical purposes, unless it has been specially designed or adapted for wireless communication or forms part of some apparatus, appliance, instrument or material specially so designed or adapted, nor any article determined by rule made by the central government in this regard.

Under section 4 of Telegraphy Act, the central government has power to exempt any person or any class of persons from the provisions of the Telegraphy Act, either generally or subject to prescribed conditions, or in respect of specified wireless telegraphy apparatus. Barring this, no person is allowed to possess wireless telegraphy apparatus other than a wireless transmitter, except under and in accordance with a license issued under the Telegraphy Act, failing which, fine of ₹ 100 might be imposed in the case of the first offence and in the case of a second or subsequent offence, fine may extend to ₹ 250. Also under section 5 of the Telegraphy Act, only the authority constituted under the Telegraphy Act is competent to issue licenses to possess wireless telegraphy apparatus. Whoever possesses any wireless transmitter in contravention of provisions of the Telegraphy Act might be punished with imprisonment which may extend to three years, or with fine which may extend to ₹ 1000, or with both.

### **Guidelines for Procurement of Computer Hardware, Software and Computer Accessories etc. and for condemnation and disposal of IT e, 2010**

The “Guidelines for Procurement of Computer Hardware, Software, and Computer Accessories etc., and for Condemnation and Disposal of IT Equipment” is a comprehensive document that outlines the procedures and standards for the acquisition and management of IT resources within an organization. It serves as a critical framework for ensuring that the procurement process is conducted in a transparent, efficient, and cost-effective manner, while also adhering to the highest standards of quality and compliance with relevant regulations.

The guidelines typically cover the entire lifecycle of IT assets, from planning and budgeting to acquisition, maintenance, and

eventual disposal. They emphasize the importance of assessing the current and future needs of the organization to make informed decisions about the types and quantities of equipment required. This includes evaluating the compatibility of new hardware and software with existing systems, as well as considering the total cost of ownership over the asset's lifespan. Furthermore, the guidelines stipulate the need for a competitive bidding process to ensure fair market prices and to prevent any potential conflicts of interest. They may also include provisions for the ethical and environmentally responsible disposal of IT equipment, which is crucial for minimizing the ecological impact of electronic waste.

In addition to procurement and disposal, the guidelines also address the maintenance and support of IT assets. This involves setting up service level agreements with vendors, establishing protocols for updates and upgrades, and ensuring that there are clear procedures for reporting and resolving technical issues.

### **The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder**

The IT Act seeks to: (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information; (ii) facilitate electronic filing of documents; and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defence and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and damaging computer systems, and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto, among others.

In exercise of this power, the Department of Information Technology, (“DoIT”) Ministry of Electronics and Information Technology, Government of India, in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected, and any third-party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines and Digital Media Ethics Code) Rules, 2021 (“IT Intermediary Rules”) requiring intermediaries receiving, storing, transmitting, or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the IT Intermediaries Rules, to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it, as well as specifying the due diligence to be observed by intermediaries.

### **The Electricity Act, 2003 (“Electricity Act”)**

The Electricity Act consolidates the laws relating to generation, transmission, distribution, trading and use of electricity. It lays down provisions in relation to transmission and distribution of electricity. It states that the Central Electricity Authority may in consultation with the State Government can specify suitable measures for specifying action to be taken in relation to any electric line or electrical plant, or any electrical appliance under the control of a consumer for the purpose of eliminating or reducing the risk of personal injury or damage to property or interference with its use.

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

The Factories Act defines a ‘factory’ to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the ‘occupier’ of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers’ health and safety, cleanliness and safe working conditions.

### **The Micro, Small and Medium Enterprises Development Act, 2006**

In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (“MSME”) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951 as “micro enterprise”, where the investment in plant and machinery does not exceed twenty-five lakh rupees, “Small enterprise”, where the investment in plant and machinery is more than twenty-five lakh rupees but does not exceed five crore rupees, or a medium enterprise, where the investment in plant and machinery is more than five crore but does not exceed ten crore rupees and in the case of the enterprise engaged in the services, “Micro-enterprise”, where the investment in equipment does not exceed ten lakh rupees, “Small Enterprise” where the investment in equipment is more than ten lakh rupees but does not exceed two crore rupees, or “Medium Enterprise” where the investment in equipment is more than two crore rupees but does not exceed five crore rupees.

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

An act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters incidental thereto The part of metrology in relation to weighing and measuring units as well as methods of weighing and measuring instruments with the object of ensuring public guarantee and from the point of view of security and accuracy of weighing and measurement. Any weight or measure which conforms to the standard of such weight or measure and also conforms to such of the provisions of Sec 7 as are applicable to it shall be the standard of weight or measure. Any numeral which conforms to the provisions of Sec 6 shall be the standard numeral. It further provides that no weight, measure or numeral, other than the standard weight, measure or numeral shall be used as a standard weight, measure or numeral. No person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the Controller. No license to repair shall be required by a manufacturer for repair of his own weight or measure in State other than the State of manufacture of the same. The Controller shall issue a license in such form and runner on such conditions, for such period and such area of jurisdiction and on payment of such fee as may be prescribed.

### **The Legal Metrology (Packaged Commodities) Rules, 2011, with amendments up to October 2023 (“Legal Metrology Rules”)**

The Legal Metrology Rules are ancillary to the Legal Metrology Act, and set out to define various manufacturing and packing terminology. It lays out specific prohibitions where manufacturing, packing, selling, importing, distributing, delivering, offering for sale would be illegal and requires that any form of advertisement where the retail sale price is given must contain a net quantity declaration. Circumstances which are punishable are also laid out.

### **The Digital Personal Data Protection Act, 2023 (“DPDP ACT”)**

The DPDP Act was notified on August 11, 2023 and is yet to come into effect. It replaces the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of the DPDP Act. The DPDP Act seeks to balance the rights of individuals to protect their digital personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent, except in case of legitimate uses as provided under the DPDP Act. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India (the “DPB”) and affected persons in the event of a breach, and (iv) erase personal data as soon as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply. The DPDP Act imposes certain additional obligations on a significant data fiduciary, such as appointment of a data protection officer, appointment of an independent data auditor and undertaking of other measures namely, periodic data protection impact assessment, periodic audit and such other measures as may be prescribed under the DPDP Act. The Central Government will establish the DPB. Key functions of the DPB include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by affected persons. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.



## **Special Economic Zones Act, 2005 (“SEZ Act”) and Special Economic Zones Rules, 2006 (“SEZ Rules”)**

The SEZ Act provides for the establishment, development and management of special economic zones for the promotion of exports. The SEZ Act constitutes a Board of Approval to whom any person wishing to establish a special economic zone may make a proposal. The Central Government has the power to notify specially identified areas as special economic zones, based on communications received from the Board of Approval regarding such a proposal and the fulfilment of certain requirements by the person making such a proposal. The SEZ Act empowers the Central Government to appoint a development commissioner to ensure the speedy development of a special economic zone and the promotion of exports therefrom. Any person intending to set up a unit for carrying on authorised operations in a special economic zone may submit a proposal to the development commissioner. Any goods or services exported out of, or imported into, or procured from the rest of India excluding special economic zones, by a unit in a special economic zone or a developer of a special economic zone, shall, subject to the terms and conditions prescribed, be exempt from the payment of taxes, duties or cess under the specified enactments.

The SEZ Rules prescribe the procedure for the establishment of a special economic zone, the procedure for the establishment of a unit within a special economic zone, and the terms and conditions for the grant of permission to operate within a special economic zone by the development commissioner.

### **Shops And Establishments legislations in various states**

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

### **Fire prevention laws**

The state legislatures in India have the power to endow the municipalities with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India, which includes fire prevention and firefighting services. The state legislatures have also enacted fire control and safety rules and regulations such as the Karnataka Fire Services Act, 1964 and Telangana Fire Service Act, 1999 which are applicable to our manufacturing facilities established in Karnataka and Telangana, respectively. The legislations include provisions in relation to fire safety and life saving measures by occupiers of buildings, licensing provisions and penalties for non-compliance.

## **LAWS RELATING TO SPECIFIC STATE WHERE THE ESTABLISHMENT IS SITUATED**

### **The Delhi Shops and Establishments Act, 1954**

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All establishments must be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations, as well as the procedures for appeal in relation to such contravention of the provisions.

## **LABOUR RELATED LEGISLATIONS**

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

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

### **Payment Of Wages Act, 1936**

The Payment of Wages Act, 1936 as amended (the Payment of Wages Act) has been enacted to regulate the payment of wages in a particular form at regular intervals without unauthorized deductions and to ensure a speedy and effective remedy to employees against illegal deductions and / or unjustified delay caused in paying wages. It applies to the persons employed in a factory, industrial or other establishment, whether directly or indirectly, through a sub-contractor and provides for the imposition of fines

and deductions and lays down wage periods. The Payment of Wages Act is applicable to factories and industrial or other establishments where the monthly wages payable are less than ₹ 6,500 per month.

### **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 (Industrial Disputes Act) provides for mechanism and procedure to secure industrial peace and harmony by investigation and settlement of industrial disputes by negotiations. The Industrial Disputes Act extends to whole of India and applies to every industrial establishment carrying on any business, trade, manufacture or distribution of goods and services irrespective of the number of workmen employed therein. Every person employed in an establishment for hire or reward including contract labour, apprentices and part time employees to do any manual, clerical, skilled, unskilled, technical, operational or supervisory work, is covered by the Act. The Act also provides for (a) the provision for payment of compensation to the Workman on account of closure or layoff or retrenchment. (b) the procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments (c) restriction on unfair labour practices on part of an employer or a trade union or workers.

### **Contract Labour (Regulation and Abolition) Act, 1970, as Amended (THE “CLRA ACT”)**

The Contract Labour (Regulation and Abolition) Act, of 1970 (the “CLRA Act”) requires a company to be registered as a principal employer and prescribes certain obligations with respect to the welfare and health of contract labourers. The CLRA vests responsibility in the principal employer of an establishment, to which the CLRA applies, to make an application to the concerned officer for registration of the concerned establishment. In the absence of such registration, contract labour cannot be employed in the concerned establishment. Likewise, every contractor, to whom the CLRA applies, is required to obtain a license and may not undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to the establishment of canteens restrooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA.

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

The Equal Remuneration Act, 1976, as amended (ER Act) provides for the payment of equal remuneration to men and women workers for same or similar nature of work and prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law. It also provides that every employer should maintain such registers and other documents in relation to the workers employed by him/ her in the prescribed manner.

### **Employees’ State Insurance Act, 1948**

It Employees’ State Insurance Act to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto. Whereas it is expedient to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto; this Act requires all the employees of the establishment to which this act applies to be insured to the manner provided there under. The Employer and Employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

### **Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (“EPF ACT”)**

The EPF Act applies to factories employing over 20 employees and such other establishments and industrial undertakings as notified by the Government of India from time to time. It requires all such establishments to be registered with the State provident fund commissioner and requires such employers and their employees to contribute in equal proportion to the employees’ provident fund the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State provident fund commissioner.

### **Inter-State Migrant Workmen (Regulation of Employment and Conditions Of Service) Act, 1979**

Inter-State Migrant Workmen Act is an act enacted by the Parliament of India to regulate the employment of inter-state migrant workmen and to provide for their conditions of service. This Act is applicable to every establishment and contractor who has employed five or more inter-state of Pass-Book to every inter-state migrant workman with full details, payment of displacement allowance equivalent to 50% of monthly wages of ₹ 75/-, whichever is higher, payment of journey allowance including payment of wage during the period of the journey, suitable residential accommodation, medical facilities and protective clothing, payment of wages, equal pay for equal work irrespective of sex, etc. The main responsibility for the enforcement of the provisions of the Inter-State Migrant Workmen Act lies with the Central Government and the State Governments/Union Territories in the establishments falling in the Central and State sphere, respectively.

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

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

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

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

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

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

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

The Maternity Benefit Act, 1961, as amended regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than six weeks shall precede the date of her.

### **Workmen's Compensation Act, 1923**

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

### **Sexual Harassment at Workplace (Prevention, Prohibition And Redressal) Act, 2013**

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWPPR Act) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines-Sexual Harassment to include any unwelcome sexually determined behaviour (whether directly or by implication). Workplace under the SHWPPR Act has been defined widely to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and stadiums used for training individuals. The SHWPPR Act requires an employer to set up an Internal Complaints Committee at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a Local Complaint Committee at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

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

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the un-organized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our labourers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

## TAX RELATED LEGISLATIONS

### Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its Residential Status and-Type of Income involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30th September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Fringe Benefit Tax, Advance Tax, and Minimum Alternative Tax like are also required to be complied by every Company.

### Goods And Service Tax, 2017

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by central on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the central and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder.

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 and every location. The registered assessee is then required to pay GST as per the rules applicable thereon and file the appropriate returns as applicable thereon. GST has replaced following indirect taxes and duties at the central and state levels.

## ENVIRONMENT LAWS AND REGULATIONS

**The Environmental Protection Act, 1986 (“Environment Protection Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”) and the Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)** provide for the prevention, control and abatement of pollution. Pollution Control Boards (“PCBs”) have been constituted in all the States in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant State PCBs for emissions and discharge of effluents into the environment. **The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)** impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Every occupier and operator of the facility generating hazardous waste is required to obtain an approval from the PCB for collecting, storing and treating the hazardous waste. Additionally, the **Hazardous and Other Wastes (Management and Transboundary Movement) Second Amendment Rules, 2023**, that came into force from April 1<sup>st</sup>, 2024 mentions about registration by Central Pollution Control Board and extended responsibilities for producers of used oil importers.

### E-Waste (Management and Handling), Rules, 2022 along with E-waste (Management) Amendment Rules, 2024

The E-Waste (Management and Handling) Rules, 2022, signify a comprehensive approach by the Indian government to address the escalating issue of electronic waste. Enacted on November 2, 2022, these rules supersede the E-Waste (Management) Rules, 2016, reflecting the evolving landscape of e-waste management and the need for more stringent regulations. The 2022 rules came into effect on April 1, 2023, and are applicable to manufacturers, producers, refurbishes, dismantlers, and recyclers involved in the lifecycle of electrical and electronic equipment listed in Schedule I of the rules.

The rules introduce an expanded definition of e-waste, now including solar photovoltaic modules, panels, or cells that are discarded as waste. This broadened scope is a response to the changing nature of electronic products and their components. The term ‘bulk consumer’ has also been redefined to include any entity that has used at least one thousand units of electrical and electronic equipment listed in Schedule I at any point during a financial year, encompassing e-retailers as well. A pivotal change is the introduction of recycling targets within the Extended Producer Responsibility (EPR) plan. Producers are now mandated to meet annual e-waste recycling targets, ensuring proper recycling and safe disposal of e-waste. This shift from the collection-focused EPR under the 2016 rules to a recycling-centric approach under the 2022 rules underscores the government’s commitment to sustainable waste management.

Registration requirements have also been revised. Entities involved in the e-waste business must now register on a portal developed by the Central Pollution Control Board (CPCB). Operating without registration or dealing with unregistered entities is prohibited, reinforcing the accountability of stakeholders in the e-waste management chain.

The amendment mentions that the Central Government may establish one or more platform for exchange of extended producer responsibility certificates in accordance with the guidelines issued by the Central Pollution Control Board with the approval of Central Government.

### **Plastic Waste Management Rules, 2016**

The Plastic Waste rules apply to manufacturers of plastic, users involved in generation of plastic as a raw material as well as individuals and institutions that generate plastic waste. Any entity or institution that generates plastic waste is responsible for segregating and handling the waste in the manner as prescribed under the rules. Further, the Plastic Waste Rules seek to minimize and regulation of plastic and ensure proper collection and disposal of plastic waste.

### **Draft Chemicals (Management and Safety) Rules, 2020**

The “Draft Chemicals (Management and Safety Rules), 2020” is a proposed regulatory framework by the Indian government, aiming to enhance chemical safety and management. It seeks to replace older regulations with a comprehensive system that includes clear definitions, a REACH model for chemical registration, and stringent compliance requirements. The draft rules mandate registration, evaluation, authorization, and restriction of chemicals, emphasizing hazard communication and safe handling practices. The Chemical Regulatory Division of the Petroleum and Explosives Safety organization is designated as the enforcing authority. This initiative is poised to significantly impact the chemical industry in India, necessitating operational and risk management adaptations to meet the new safety and environmental standards.

### **The Noise Pollution (Regulation & Control) Rules, 2000 (“Noise Regulation Rules”)**

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment Act.

### **The Battery Waste Management Rules, 2022**

It is established by the Indian government, aim to manage and reduce the environmental impact of batteries through various measures. A central aspect is the Extended Producer Responsibility (EPR), which mandates that manufacturers, importers, and assemblers are responsible for the collection, recycling, and proper disposal of waste batteries. Producers must ensure that waste batteries are collected and sent to authorized recyclers, meeting specific recycling targets. Batteries must be labeled with information on safe usage and disposal, and producers must educate consumers on the environmental impact of batteries and their disposal methods. The rules prohibit the disposal of batteries in landfills and incineration to prevent environmental contamination. Additionally, producers, importers, and recyclers are required to register with the Central Pollution Control Board (CPCB) and submit annual compliance reports. Consumers are encouraged to return used batteries to designated collection points established by producers. Non-compliance with these regulations can result in penalties, ensuring strict adherence to the rules. Overall, these measures create a sustainable framework for managing battery waste, promoting recycling, and reducing environmental harm.

## **IMPORT-EXPORT REGULATIONS**

### **Foreign Direct Investment Policy, 2020**

The Foreign Direct Investment (FDI) Policy aims to attract and promote foreign investment to supplement domestic resources for accelerated economic growth. FDI is subject to compliance with relevant sectoral laws, regulations, security conditions, and state/local laws. The Consolidated FDI Policy 2020, issued by the Department for Promotion of Industry and Internal Trade (DPIIT), establishes guidelines for FDI inflows into India. It is updated annually to align with regulatory changes.

### **Foreign Trade (Development and Regulation) Act, 1992**

Foreign Trade Act empowers the Government of India to, among other things, (a) make provisions for development and regulation of foreign trade; (b) prohibit, restrict or otherwise regulate exports and imports; (c) formulate an EXIM policy; and (d) appoint a Director General of Foreign Trade for the purpose of administering foreign trade and advising the Central Government in formulating EXIM policy and implementing the same. Every importer and exporter is required to obtain an ‘Importer Exporter Code’ from the Director General of Foreign Trade or from any other duly authorized officer.

### **Foreign Trade Policy**

The Foreign Trade Policy provides that no export or import can be made by a person without an IEC unless such person is specifically exempted. The policy provides for all exports and imports made shall be governed by the Foreign Trade Policy, unless otherwise specified. FTP provides for handbook of procedures laying down the procedure to be followed by an exporter or importer or by any Licensing/Regional Authority or by any other authority for purposes of implementing provisions of FT (D&R) Act, the Rules and the Orders made there under and provisions of FTP.

## **Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations Framed Thereunder**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Promotion of Industry and Internal Trade. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”), as amended from time to time to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

## **GENERAL STATUTORY LEGISLATIONS**

### **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 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the director’s payable by the companies is under Part II of the said schedule.

### **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. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are Likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities approving a proposal for a merger or amalgamation under Section 5(c) of 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.

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

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. 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.

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

The Specific Relief Act, 1963 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.

### **Sale of Goods Act, 1930**

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional.

### **Public Liability Insurance Act, 1991 (“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. The government by way of a notification has enumerated a list of hazardous substances. 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 shall contribute towards the environmental relief fund a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

### **Consumer Protection Act, 2019 (“Consumer Protection Act”) and Rules Made Thereunder**

The Consumer Protection Act was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, amongst other things, to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs.

In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India (“Ministry of Consumer Affairs”) has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) on July 23, 2020, which provide a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity. The Ministry of Consumer Affairs has also released draft amendments to the E-Commerce Rules for public comments. The aforesaid draft amendments require e-commerce entities to, amongst other things, register themselves with the Department for Promotion of Industry and Internal Trade, and appoint a chief compliance officer, a nodal contact person and a resident grievance officer. Additionally, the draft amendments prohibit e-commerce entities from misleading users by manipulating search results, prohibit flash sales and abuse of dominant position, and mandate e-commerce entities to identify sponsored listings of products and services with clear and prominent disclosures.

### **Code of Civil Procedure, 1908**

The Code of Civil Procedure, 1908 is a procedural law related to the administration of civil proceedings in India. The Civil Procedure Code consolidates and amends the law relating to the procedure of the Courts of Civil jurisdiction. The Code of Civil Procedure is an adjective law it neither creates nor takes away any right. It is intended to regulate the procedure to be followed by Civil Courts. The Civil Procedure Code consists of two parts. 158 Sections form the first part and the rules and orders contained in Schedule I form the second part. The object of the Code generally is to create jurisdiction while the rules indicate the mode in which the jurisdiction should be exercised.

The Code does not affect any special or local laws nor does it supersede any special jurisdiction or power conferred or any special form of procedure prescribed by or under any other law for the time being in force. The Code is the general law so that in case of conflict between the Code and the special law the latter prevails over the former. Where the special law is silent on a particular matter the Code applies, but consistent with the special enactment.

### **Code of Criminal Procedure Code, 1973**

It is the main legislation on procedure for administration of substantive criminal law in India. It was enacted in 1973 and came into force on 1st April, 1974. It provides the machinery for the investigation of crime, apprehension of suspected criminals, collection of evidence, determination of guilt or innocence of the accused person and the determination of punishment of the guilty.

Criminal law occupies a pre-dominant place among the agencies of social control and is regarded as a formidable weapon that society has forged to protect itself against anti-social behaviour. The law of criminal procedure is meant to be complimentary to criminal law. It is intended to provide a mechanism for the enforcement of criminal law. The Code of Criminal Procedure creates the necessary machinery for apprehending the criminals, investigating the criminal cases, their trials before the criminal courts and imposition of proper punishment on the guilty person. The Code enumerates the hierarchy of criminal courts in which different offences can be tried and then it spells out the limits of sentences which such Courts are authorized to pass.

The law of criminal procedure is intended to provide a mechanism for the enforcement of criminal law. Without the proper procedural law the substantive criminal law which defines offences and provides punishment for them would be almost worthless.

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

The Arbitration and Conciliation Act, 1996 is an act 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. It aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. A significant feature of the Act is the appointment of arbitrators by the Chief Justice of India or Chief Justice of High Court. The Chief Justice may either appoint the arbitrator himself or nominate a person or Institution to nominate the arbitrator. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

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

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

### **Indian Stamp Act, 1899**

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

## **INTELLECTUAL PROPERTY RELATED LEGISLATIONS**

### **Trade Marks Act, 1999 (“Trade Marks Act”)**

The Trade Marks Act governs the statutory protection of trademarks and prevention of the use of fraudulent marks in India. It provides for the application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Under the provisions of the Trade Marks Act, an application for trade mark registration may be made with the Controller General of Patents, Designs and Trademarks by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use or intention to use a trade mark in the future. Once granted, a trade mark registration is valid for 10 years unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration is required to be restored to gain protection under the provisions of the Trade Marks Act. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying for trademarks. Further, pursuant to the notification of the Trade Marks (Amendment) Act, 2010, simultaneous protection of trade mark in India and other countries has been made available to owners of Indian and foreign trade marks. It also seeks to simplify the law relating to the transfer of ownership of trade marks by assignment or transmission and to bring the law in line with international practices.

### **Copyright Act, 1957**

Copyright is a right given by the law to creators of literary, dramatic, musical and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, and rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

### **The Patents Act, 1970 (“Patents Act”)**

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights and recognizes both product as well as process patents. The Patents Act provides for, inter alia, the following:

- Patent protection period of 20 years from the date of filing the patent application;
- Recognition of product patents in respect of food, medicine and drugs;
- Import of patented products will not be considered as an infringement; and
- Under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.



## **The Design Act, 2000**

The Design Act, which came into force in May 2001, along with the rules made thereunder consolidate and amend the law relating to protection of designs. A design refers to the features of shape, configuration, pattern, ornamentation or composition of lines or colours applied to any article, in two or three dimensional or both forms, by an industrial process or means, whether manual, mechanical or chemical, separate or combined which in the finished article appeal to and is judged solely by the eye. In order to register a design, it must be new or original and must not be disclosed to the public anywhere in India or any other country by publication in tangible form or by use or in any other way prior to the filing date. A design should be significantly distinguishable from known designs or combination of known designs in order for it to be registered. A registered design is valid for a period of 10 years after which the same can be renewed for a second period of five years, before the expiration of the original period of 10 years. After such period, the design is made available to the public by placing it in the public domain.

## **OTHER LAWS**

### **Municipality Laws**

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

### **Police Laws**

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same along with prescribing penalties for non-compliance.

## HISTORY AND CORPORATE STRUCTURE

### **Brief history and Background of our Company:**

Our Company was incorporated as Limited Company in the name of “Sahasra Electronic Solutions Limited” under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated February 22, 2023 issued by Registrar of Companies, Central Registration Centre bearing Corporate Identity Number U26202DL2023PLC410521. At the time of incorporation our company has taken over the running business of proprietorship concern of the promoter Amrit Lal Manwani, namely M/s Sahasra Electronic Solutions along with the assets and liabilities of the proprietorship concern as going concern.

Amrit Lal Manwani, Arunima Manwani, Varun Manwani, Varsha B P Manwani, Akshay Manwani, Narayan Belbase and Pintu Naskar were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major Vendors and suppliers, please refer the sections titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Financial information of the Company*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 95, 125, 142 and 214 respectively of this Draft Red Herring Prospectus.

### **Our Locations:**

<b>Registered Office</b>	33, Pocket 1, Jasola Vihar New Friends Colony, South Delhi-110025, New Delhi, India
<b>Corporate Office/ Manufacturing Unit</b>	68-AA Noida Special Economic Zone, Nepz Post Office, Gautam Buddha Nagar, Noida-201305, Uttar Pradesh, India

### **Changes in the Registered Office of the Company since Incorporation:**

There has not been any change in our Registered Office since incorporation till the date of this Draft Red Herring Prospectus.

### **Main Objects of our Company as per the Memorandum of Association:**

The main objects of our Company as contained in our Clause 3(A) of Memorandum of Association of our Company are as follows:

1. Manufacture of PCB assemblies, Electrical or Electronic box, USBs (Mini/Micro, Storage Devices), Energy Meters with or without enclosures, LED Lights (Panel Light, Street Light, Down Light, Flash Light, Tail Light), LED Electronic Lighting assemblies, Components/ Parts with or without Metal/ Plastic fixtures, LED Drivers, Design Services of IC Chip/Packages (Component/ Substrates/ PCBs) and manufacture of Semiconductors (including packaging) & related electronic parts. Wire Harness, Plastic Injection Molding, Box Builds, IT Hardware i.e., Motherboard, Server, Desktop, Laptop, Tablets. To buy, sell, import, export and/ or deal in all kind of transformers, regulators, battery charges, battery eliminators, voltage testing sets, voltage stabilizers, and all types and description of electronic components and conductors.
2. To take over of running business of proprietorship firm Sahasra Electronic Solution whose proprietor was Shri Amrit Lal Manwani with effect from date of incorporation by way of transfer of assets and liabilities of Sahasra Electronic Solution as a result of succession of the proprietorship firm by Sahasra Electronic Solutions Limited in the business carried on by proprietorship firm.
3. Manufacture of SSDs, USBs, RAMs, Desktops, Mother Boards, Laptops, Tablets, Data Servers etc.
4. Manufacture of magnetic and optical storage devices such as magnetic disk drives, flash drives, CD, DVD and other storage devices.
5. To buy, sell, import, export and/or deal in all kind of electronic equipment including engineering, scientific, mechanical, electrical hydraulic pneumatic, medical, healthcare, aviation, thermal, sonic, ultrasonic, optical, surgical and surveying equipment's, mother board for data center, instruments and parts thereof, all kinds of descriptions, repair & services thereof.
6. To carry on all or any of the business of indentors, importers, exporters, installers, maintainers, repairers of and dealers in electronic and electrical appliances and apparatus of every kind description whether invented or to be invented and including computing and tabulating machines, digital computers, electronic or electromechanical scanners, sensors, electronic profile display units, input and output terminals, printing devices and other machines of similar nature or function which may be used in association with or in conjunction with any of the aforesaid machines.

### **Amendments to the Memorandum of Association:**

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

Date of Meeting	Type of Meeting	Nature of Amendments
January 20, 2024	EGM	Clause 3(a)(1) of the Memorandum of Association was amended to reflect the amendment in existing main object of the company: 1. Manufacture of SSDs, USBs, RAMs, Desktops, Mother Boards, Laptops, Tablets, Data Servers etc.
		Clause 3(b) of the Memorandum of Association was altered to add matters which are necessary for furtherance of the objects specified
May 13, 2024	EGM	Clause 3(a) of the Memorandum of Association was amended for changing the sequence of the existing objects of the company.

#### Major Key Events, Milestone and Achievements of our Company:

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

Year/ F.Y.	Key Events / Milestone / Achievements/ Awards/ Recognitions/ Accreditations
2021	Received approval for manufacturing of PCB Assembly in Proprietorship firm of Amrit Lal Manwani in the name of M/s. Sahasra Electronic Solutions
2022	Obtained ISO 9001:2015 certification for Manufacture of PCB Assemblies.
2023	Takeover of Proprietorship Firm of Amrit Lal Manwani into Company
2023	Got 2 <sup>nd</sup> Prize in Export (SME) from ELCINA Awards 2022-23
2023	Obtained EN 9100:2018 equivalent to AS 9100D and JISQ 9100:2016, including ISO 9001:2015 certification for Manufacture of PCB Assemblies.
2024	Acquired 54.18% stake in Sahasra Semiconductors Private Limited through acquiring the equity shares pursuant to which it became our Subsidiary Company
2024	Achieved Revenue of ₹ 100 Cr.

#### Other details about our Company:

For details of our Company's activities, products, growth, awards & recognitions, capacity, location of stores, technology, marketing strategy, competition and our customers, please refer section titled "**Our Business**", "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" and "**Basis for Offer Price**" on pages 95, 214 and 78 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "**Our Management**" and "**Capital Structure**" beginning on page 125 and 57 of the Draft Red Herring Prospectus respectively.

#### Capital Raising (Debt/ Equity):

For details in relation to our capital raising activities through equity, please refer to the chapter titled "**Capital Structure**" beginning on page 57 of the Draft Red Herring Prospectus. For details of our Company's debt facilities, see "**Statement of Financial Indebtedness**" on page 212 of the Draft Red Herring Prospectus.

#### Changes in activities of our Company during the last five (5) Years:

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

#### Our Holding Company:

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

#### Our Subsidiary Company:

As on the date of this Draft Red Herring Prospectus, our Company has one Subsidiary Company. For further information, please refer to the section titled "**Our Subsidiary**" on page 123 of this Draft Red Herring Prospectus.

#### Our Associates, and Joint Ventures:

Our Company does not have any Associates or joint ventures as on the date of this Draft Red Herring Prospectus.

#### Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation and location of plants:

For information on key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/ facility creation, location of our manufacturing facilities, please see the section titled **“Our Business”** on page 95 of this Draft Red Herring Prospectus.

**Details regarding material Acquisition or divestments of Business/ Undertakings, Mergers, Amalgamation, Revaluation of Assets etc., in the last ten years:**

Except as disclosed below, our Company has not made any material acquisitions or divestments of any business or undertakings, mergers, amalgamation or revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

1. Our Company has acquired the running business of proprietorship concern of the promoter Amrit Lal Manwani, namely M/s Sahasra Electronic Solutions along with the assets and liabilities of the proprietorship concern as going concern, pursuant to a Business Succession Agreement dated February 22, 2023 entered among Amrit Lal Manwani proprietor of M/s Sahasra Electronic Solutions and Sahasra Electronic Solutions Limited. Major details of the agreement are as below -
  - i. Our Company acquired the business of M/s Sahasra Electronic Solutions for an aggregate sale consideration of ₹1,774.08 Lakhs including specified assets and liabilities as on February 21, 2023;
  - ii. The company has issued 17,74,780 Equity shares at a price of ₹10 per equity shares of face value ₹10 each to Amrit Lal Manwani towards the sales payable to him amounting to ₹1774.08 lakhs.
2. The company has acquired 54.18% stake of Sahasra Semiconductors Private Limited with effect from June 21, 2024. The principal business of Sahasra Semiconductors Private Limited is manufacturing, wafer/chip dicing, grinding chip bonding, testing marking, packing & selling of semiconductor components and products or accessories using these semiconductors. Further, to carry on complete process of integrated circuits (IC) packaging as authorized under its memorandum of association. As a result of the acquisition, we are able to consolidate all of these operations into our business at a group level. Accordingly, we have included in this Draft Red Herring Prospectus, the Unaudited Proforma Financial Information of our Company, comprising the proforma consolidated balance sheet as at March 31, 2024 and the proforma statement of profit and loss for the Financial Years ended March 31, 2024 read with the notes to the proforma financial information, prepared to illustrate the impact of the acquisition of Sahasra Semiconductors Private Limited on the group’s financial position as at March 31, 2024 as if the acquisition of Sahasra Semiconductors Private Limited had taken place on April 1, 2023. The Unaudited Proforma Financial Information addresses a hypothetical situation and does not represent our actual consolidated financial results and is not intended to be indicative of our future condition and results of operations. See **“Risk Factors –The Proforma Financial Information included in this Draft Red Herring Prospectus is not indicative of our expected results or operations in the future periods or our future financial position or a substitute for our past results”** on page 25 of this Draft Red Herring Prospectus.

**Injunction or Restraining Order:**

Except as disclosed in the section titled **“Outstanding Litigation and Material Developments”** beginning on page 223 of this Draft Red Herring Prospectus, there are no injunctions/restraining orders that have been passed against the Company.

**Number of shareholders of our Company:**

Our Company has 22 (Twenty-Two) shareholders as on the date of this Draft Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled **“Capital Structure”** beginning on page 57 of the Draft Red Herring Prospectus.

**Changes in the Management:**

For details of change in Management, please see chapter titled **“Our Management”** on page 125 of the Draft Red Herring Prospectus.

**Agreement with key managerial personnel or Directors or Promoters or any other employee of the Company:**

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

**Shareholders Agreements:**

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

**Collaboration Agreements:**

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

**Material Agreement:**

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

**Strategic or Financial Partners:**

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

**Time and Cost Overruns in Setting up Projects:**

There has been no time / cost overrun in setting up projects by our Company.

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

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

**Other Agreements:**

**i. Non-Compete Agreement:**

Our Company has not entered into any Non- compete Agreement as on the date of filing of this Draft Red Herring Prospectus.

**ii. Joint Venture Agreement:**

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Draft Red Herring Prospectus.

**OUR SUBSIDIARY**

As on the date of this Draft Red Herring Prospectus, our Company has one Subsidiary Company being Sahasra Semiconductors Private Limited. Set out below are details of our Subsidiary Company:

**1. Sahasra Semiconductors Private Limited (“SSPL”)***Corporate Information*

SSPL was incorporated as a private limited company under the provisions of Companies Act, 2013, pursuant to the certificate of incorporation dated July 15, 2020 issued by the Registrar of Companies, Central Registration Centre. The Table below sets forth more information of the company:

<b>CIN</b>	U32109DL2020PTC366230
<b>Date of Incorporation</b>	July 15, 2020
<b>PAN</b>	ABDCS9700Q
<b>Registered Office</b>	Plot No. 33, Pocket-1 Jasola, Management Institute, South Delhi, Delhi-110076, India

*Nature of Business*

SSPL is engaged in the business of manufacturing, wafer/chip dicing, grinding chip bonding, testing marking, packing & selling of semiconductor components and products or accessories using these semiconductors. Further, to carry on complete process of integrated circuits (IC) packaging as authorized under its memorandum of association.

*Capital Structure*

The following table sets forth details of the capital structure of SSPL:

<b>Particulars</b>	<b>Aggregate Nominal Value (₹ in Lakhs)</b>
<b>Authorised Capital</b>	
6,00,00,000 Equity Shares of ₹10 each	6,000.00
<b>Issued, subscribed and paid-up capital</b>	
5,89,59,374 Equity Shares of ₹10 each	5,895.93

*Shareholding Pattern*

The Equity Shareholding pattern of SSPL is as follows:

<b>S. No.</b>	<b>Name of the Shareholder</b>	<b>No. of equity Shares of ₹ 10 each</b>	<b>% of total equity shareholding</b>
1.	Sahasra Electronic Solutions Limited	3,19,43,400	54.18
2.	Desai Electronics Private Limited	1,43,62,974	24.36
3.	Amrit Lal Manwani	1,07,12,490	18.17
4.	Arunima Manwani	12,94,000	2.19
5.	Varun Manwani	4,46,500	0.76
6.	Anurag Rajesh	2,00,000	0.34
7.	Sahasra Electronics Private Limited	10	Negligible
	<b>TOTAL</b>	<b>5,89,59,374</b>	<b>100.00%</b>

*Board of Directors*

The Directors of SSPL is as follows:

<b>Name of Director</b>	<b>DIN</b>	<b>Designation</b>
Amrit Lal Manwani	00920206	Director
Varun Manwani	00921735	Director
Arunima Manwani	06996141	Director
Vikram Manubhai Desai	00370992	Director

*Financial Performance*

The brief financial details of SSPL derived from its audited financial statements for Fiscals 2024, 2023 and 2022 are set forth below:

(₹ in lakhs, except per share data)

Audited Financial Information	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Equity Share Capital (₹)	5,525.94	4,805.94	2,719.44
Reserves & Surplus	(699.44)	(148.91)	(43.95)
Net worth	4,826.50	4,657.03	2,675.49
Total Revenue (including other income)	300.84	126.32	0.61
Profit/(Loss) after tax	(550.53)	(104.96)	(27.82)
Basic Earnings per share (face value of ₹ 10 each)	(1.03)	(0.30)	(0.14)
Diluted Earnings per share (face value of ₹ 10 each)	(1.03)	(0.30)	(0.14)
Net asset value per share (₹)	8.73	9.69	9.84

**Other Confirmations:****Accumulated profits or losses:**

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of SSPL that have not been accounted for or consolidated by our Company.

**Listing**

The equity shares of our Subsidiary Company are not listed on any Stock Exchange. None of the securities of our Subsidiary company have been refused listing by any stock exchange in India or abroad or failed to meet the listing requirements of any stock exchange in India or abroad.

**Business interest**

Our Subsidiary do not have any business or other interest in our Company other than as stated in section titled “*Our Business*”, and transactions disclosed in the section titled “*Restated Financial Statements –Note Y –Related party disclosures*”, on page 95 and 168 respectively of this Draft Red Herring Prospectus.

**Common pursuits**

As on the date of this Draft Red Herring Prospectus, our Subsidiary has common pursuits with our Company and is authorized to engage in similar business to that of our Company.

**OUR MANAGEMENT****Board of Directors:**

The following table sets forth the details regarding the Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Amrit Lal Manwani</b></p> <p><b>Designation:</b> Chairman &amp; Managing Director</p> <p><b>Age:</b> 74 years</p> <p><b>Date of Birth:</b> March 07, 1950</p> <p><b>Address:</b> 33, Pocket I, Jasola, South Delhi-110025 India.</p> <p><b>Experience:</b> More than 50 Years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> Bachelor of Technology in Electrical Engineering and Master of Business Administration</p> <p><b>Current Term:</b> For a period of three years, with effect from June 19, 2023, not liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since incorporation</p> <p><b>DIN:</b> 00920206</p>	<ol style="list-style-type: none"> <li>1. Sahasra Electronics Private Limited</li> <li>2. Sahasra Semiconductors Private Limited</li> <li>3. Infopower Technologies Private Limited</li> <li>4. Electronic Industries Association Of India</li> <li>5. Electronics Sector Skills Council Of India</li> <li>6. Tegna Electronics Private Limited</li> <li>7. Awesense Five Private Limited</li> <li>8. Elcina Electronics Manufacturing Cluster Private Limited</li> <li>9. Megma RFID And Labels Private Limited</li> <li>10. Sahasra Electronics (Rwanda) Private Limited</li> <li>11. Optima Technology Associates Inc.</li> </ol>
<p><b>Arunima Manwani</b></p> <p><b>Designation:</b> Executive Director</p> <p><b>Age:</b> 42 years</p> <p><b>Date of Birth:</b> February 23, 1982</p> <p><b>Address:</b> 33, Jasola, Pocket 1, South Delhi-110025, India.</p> <p><b>Experience:</b> 10 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> B.Com</p> <p><b>Current Term:</b> Designated as Executive Director of the Company, w.e.f. January 12, 2024 and shall be liable to retire by rotation</p> <p><b>Period of Directorship:</b> Since Incorporation</p> <p><b>DIN:</b> 06996141</p>	<ol style="list-style-type: none"> <li>1. Sahasra Semiconductors Private Limited</li> <li>2. Infopower Technologies Private Limited</li> <li>3. Sahasra Sambhav Skill Development Private Limited</li> <li>4. Megma RFID And Labels Private Limited</li> </ol>
<p><b>Varun Manwani</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Age:</b> 42 years</p> <p><b>Date of Birth:</b> September 26, 1981</p> <p><b>Address:</b> 33, Jasola, Pocket 1, South Delhi-110025, India</p> <p><b>Experience:</b> 23 years</p>	<ol style="list-style-type: none"> <li>1. Sahasra Electronics Private Limited</li> <li>2. Sahasra Semiconductors Private Limited</li> <li>3. Infopower Technologies Private Limited</li> <li>4. Sahasra Sambhav Skill Development Private Limited</li> <li>5. Megma RFID And Labels Private Limited</li> <li>6. Winbond Electronics India</li> </ol>



Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> B.A. (Honours) in Economics</p> <p><b>Current Term:</b> Appointed with effect from February 22, 2023 liable to retire by rotation.</p> <p><b>Period of Directorship:</b> Since Incorporation</p> <p><b>DIN:</b> 00921735</p>	<p>Private Limited (formerly known as GLMTD Technology Private Limited)</p> <p>7. Sahasra Electronics (Rwanda) Private Limited</p>
<p><b>Abhilasha Gaur</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 44 years</p> <p><b>Date of Birth:</b> August 28, 1980</p> <p><b>Address:</b> Flat No.330, Block S2 Raheja Society, Sector -31, Sadar Bazar, Gurgaon-122001, Haryana, India.</p> <p><b>Experience:</b> More than 19 years</p> <p><b>Occupation:</b> Business</p> <p><b>Qualification:</b> B.BA, PGDBM, Doctor of Philosophy in Management</p> <p><b>Current Term:</b> For a period of 5 years with effect from July 17, 2023 not liable to retire by rotation.</p> <p><b>Period of Directorship:</b> 5 years</p> <p><b>DIN:</b> 07607862</p>	<p>1. First Ray Private Limited</p>
<p><b>Pradeep Kumar</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 75 years</p> <p><b>Date of Birth:</b> July 26, 1949</p> <p><b>Address:</b> 93, Anupam Apartments B-13 Vasundhara Enclave, Delhi East-110096, India</p> <p><b>Experience:</b> More than 50 years</p> <p><b>Occupation:</b> Professional</p> <p><b>Qualification:</b> Bachelor of Technology in Electrical Engineering and Post-Graduate Diploma in Business Administration</p> <p><b>Current Term:</b> For a period of 5 years with effect from July 17, 2023 not liable to retire by rotation</p> <p><b>Period of Directorship:</b> 5 Years</p> <p><b>DIN:</b> 00505518</p>	<p>Nil</p>
<p><b>Udayan Mukerji</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Age:</b> 72 years</p>	<p>1. Aarken Consultants Private Limited</p> <p>2. Avineh Technologies Private Limited</p> <p>3. Mobius Research And Knowledge Services India</p>

Name, designation, age, date of birth, address, experience, occupation, qualification, current term, date of appointment and DIN	Other directorships
<p><b>Date of Birth:</b> September 26, 1951</p> <p><b>Address:</b> C-12, Chirag Enclave, Near Nehru Place, Greater Kailash-1, South Delhi -110048, Delhi India</p> <p><b>Experience:</b> More than 44 years</p> <p><b>Occupation:</b> Professional</p> <p><b>Qualification:</b> M.Sc. (Chemistry), Bachelor of Law</p> <p><b>Current Term:</b> For a period of 5 years with effect from May 13, 2024 not liable to retire by rotation</p> <p><b>Period of Directorship:</b> 5 Years</p> <p><b>DIN:</b> 03636654</p>	Private Limited

### **Brief Profile of Directors:**

- Amrit Lal Manwani**, is our Founder Promoter and Chairman & Managing Director of our Company. He has been associated with the Company since incorporation. He has completed his Bachelor of Technology in Electrical Engineering from IIT Kanpur in year 1973 and Master of Business Administration from University of Delhi in year 1983. He has a work experience of more than 50 years in the field of Electronics Industry. He played a significant role in the growth of the company. At present, he looks after functions such as business development and project execution in our Company
- Arunima Manwani**, is one of the Promoters and the Director of our Company. She has been associated with the Company since incorporation. She has completed Bachelor of Commerce from University of Mumbai, in year 2004. She has work experience of 10 years in the Industry. She is playing vital role in creating and formulating strategic business plans, research & development, Track technology advancements and trends to stay competitive.
- Varun Manwani**, is one of the Promoters and the Non-Executive Director of our Company. He has been associated with the company since incorporation. He has completed his B.A. (Honours) in Economics from University of Delhi, in year 2003. He has around 23 years of experience in the field of manufacturing, operations to sales and marketing. He is currently responsible for providing his expertise for growth and expansion of the Company.
- Abhislasha Gaur**, is an independent director of our Company. She has completed her BBA from Kurukshetra University in 2001, PGDBM from Entrepreneurship & Management Processes International in 2003 and Doctor of Philosophy in Management from IFTM University in year 2019. She has an overall experience of more than 19 years in the field of Business Development, Operations, Planning and implementation and Team Management.
- Pradeep Kumar**, is an independent director of our Company. He has completed his Bachelor of Technology in Electrical Engineering from Indian Institute of Technology, Kanpur in year 1970 and Post-Graduate Diploma in Business Administration from The Indian Institute of Management, Ahmedabad in year 1972. He has experience of more than 50 years in the field of business strategy and management consultancy.
- Udayan Mukerji**, is an independent director of our Company. He has completed his M.Sc. (Chemistry) from University of Rajasthan in year 1972 and Bachelor of Law from Ch. Charan Singh University, Meerut in 2013 and is currently senior lawyer. He is retired IPS Officer of batch of 1980, and from year 2013 he is handling litigation/ legal counselling in diverse areas.

### **Confirmations:**

As on the date of this Draft Red Herring Prospectus:

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.

- c) None of our Directors are categorized as a wilful defaulter or a fraudulent borrower, as defined under Regulation 2(1)(III) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 .
- d) None of our Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

#### Nature of any family relationship of our Directors

The following Directors of the Company are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. No.	Name of the Director/KMPs	Relationship
1.	Amrit Lal Manwani	Father of Varun Manwani & Father-in Law of Arunima Manwani
2.	Varun Manwani	Son of Amrit Lal Manwani & Husband of Arunima Manwani
3.	Arunima Manwani	Wife of Varun Manwani & Daughter-in law of Amrit Lal Manwani

#### Arrangements with major Shareholders, Customers, Suppliers or Others:

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as director or member of the senior management.

#### Service Contracts:

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

#### Details of Borrowing Powers of Directors

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on May 13, 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 have been 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 ₹ 300 crores (Rupees Three Hundred Crores Only).

#### Compensation of our Managing Director & Executive Director

The compensation payable to our Managing Director and Executive Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

#### The following compensation has been approved for Managing Director & Executive Director

Particulars	Amrit Lal Manwani	Arunima Manwani
<b>Appointment/ Change in Designation</b>	Appointed as Director since incorporation and re-designated Managing Director w.e.f. June 26, 2023 and further designated as Chairman & Managing Director of Company w.e.f. April 09, 2024	Appointed as Non-Executive Director since incorporation and re-designated as Executive Director w.e.f. January 12, 2024.
<b>Current Designation</b>	Chairman & Managing Director	Executive Director
<b>Term of Appointment</b>	3 Years, Not liable to retire by rotation	Liable to retire by rotation
<b>Remuneration &amp; Perquisites</b>	Upto ₹15,00,000 p.m. along with Bonus, Leave Travel Concession of ₹15,00,000 p.a.; Perquisite: as per policy of the Company.	Upto ₹2,00,000 per month along with Bonus ₹2,00,000 P.A, Leave Travel Concession ₹2,00,000 P.A; Perquisite: as per policy of the Company.
<b>Compensation paid in the FY 2023-24</b>	₹ 175.00 Lakhs (including Bonus and LTA)	₹ 28.00 Lakhs (including Bonus and LTA)

**Bonus or Profit-Sharing plan for our directors:**

We have no bonus or profit-sharing plan for our directors.

**Sitting Fees:**

As per Articles of Association of our Company and pursuant to Board Resolution dated May 23, 2024 the remuneration payable in terms of sitting fees to the Directors (including Independent Directors) for attending the Meetings of the Board and Committee thereof shall not exceed the limits prescribed under Section 197(5) of the Companies Act, 2013.

**Shareholding of our Director as on the date of this Draft Red Herring Prospectus:**

Sr. No.	Name of the Director	No. of Shares Held	Holding in % (Pre-Issue)
1.	Amrit Lal Manwani	1,79,64,700	94.98
2.	Arunima Manwani	1,200	0.01
3.	Varun Manwani	1,200	0.01
	<b>Total</b>	<b>1,79,67,100</b>	<b>94.99</b>

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus.

For details of our subsidiary Company as defined under Section 2(87) of the Companies Act, 2013 and details of the directorship held in the Subsidiary Companies refer chapter titled **“History and Corporate Matters”** beginning on page 119 of this Draft Red Herring Prospectus.

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

**INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer to Chapter titled **“Our Management”** beginning on page 125 of this Draft Red Herring Prospectus.

Our directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our directors are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/ Members/ Partners. Further our directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners and for the details of Personal Guarantee given by the Directors towards Financial facilities of our Company please refer to **“Statement of Financial Indebtedness”** on page 212 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section **“Our Management”** or the section titled **“Financial information of the Company –Note - Y - Related Party Disclosure”** beginning on page 125 and 168 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

**Interest in the property of Our Company:**

Except for the acquisition of the liabilities and assets of the erstwhile proprietorship of our Managing Director Amrit Lal Manwani pursuant to the business purchase agreement dated February 22, 2023 and the details mentioned below, our directors do not have any other interest in any property acquired/ rented by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

S. No.	Address of Property	Actual Use	Details of property
1.	33, Pocket 1, Jasola Vihar, New Friends Colony, South Delhi, New Delhi, India – 110025	Registered Office	The property admeasuring 300 sq. feet has been taken on lease vide a lease deed dated January 01, 2024 entered with Varsha B P Manwani valid for 11 months starting from January 01, 2024 to November 30, 2024 at a monthly rent of ₹ 15,000 per month.
2.	A-4 Phase-II, Gautam Buddha Nagar, Noida-201305 Uttar Pradesh	Warehouse	The property has been taken on lease vide a lease agreement dated April 12, 2024 entered with Infopower Technologies Private Limited (Infopower Technologies Limited) valid for 11 months

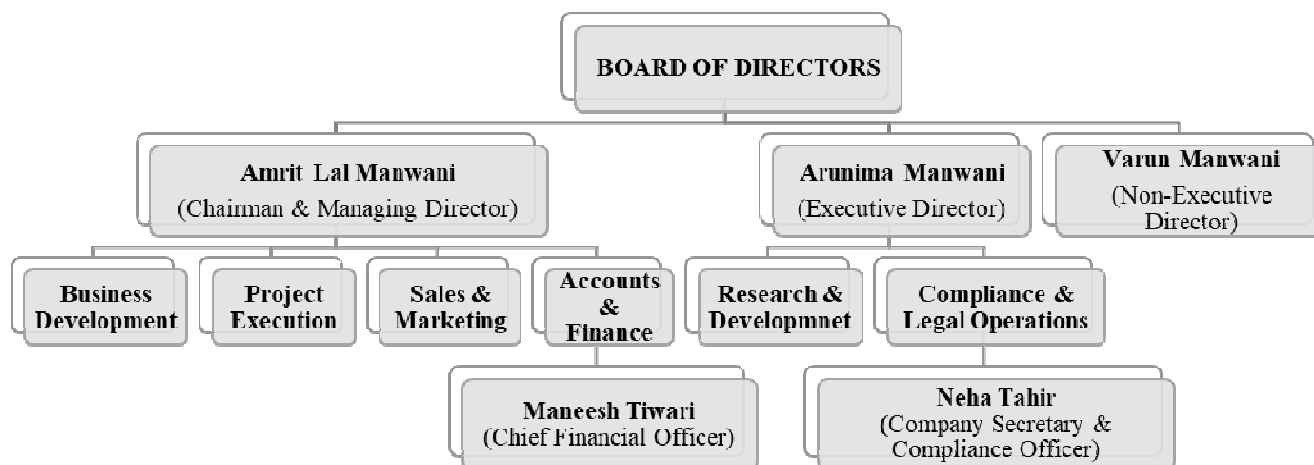
S. No.	Address of Property	Actual Use	Details of property
			starting from April 12, 2024 to March 11, 2025 at a monthly rent of ₹ 60,000 per month.
3.	B-3/1, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar-301019, Rajasthan	Proposed expansion	The property admeasuring land area of 1,500 sq. meters has been taken on lease vide a lease agreement dated June 15, 2024 entered with Sahasra Electronics Private Limited valid for 5 years starting from June 15, 2024 at a monthly rent of ₹ 75,000 per month.

#### Changes in Board of Directors in last 3 Years:

Name of Directors	Date of Change	Reasons for Change
Amrit Lal Manwani	June 26, 2023	Re-designated as Managing Director
Abhilasha Gaur	July 17, 2023	Appointed as an Additional Independent Director
Abhilasha Gaur	October 16, 2023	Regularized as an Independent Director
Pradeep Kumar	July 17, 2023	Appointed as an Additional Independent Director
Pradeep Kumar	October 16, 2023	Regularized as an Independent Director
Arunima Manwani	January 12, 2024	Re-designated as Executive Director
Amrit Lal Manwani	April 09, 2024	Designated as Chairman
Udayan Mukerji	May 13, 2024	Appointed as an Independent Director

#### MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:



#### COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and SEBI (ICDR) Regulations, 2018 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on Stock Exchanges. We are in compliance with the requirements of corporate governance with respect to composition of Board and constitution of the committees of the Board, including the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee, by our Company and formulation and adoption of policies, as prescribed under the SEBI Listing Regulations. Our Board undertakes to take all necessary steps to continue to comply with all the requirements of Listing Regulations and the Companies Act, 2013.

Our Board has been constituted in compliance with the Companies Act, the SEBI (LODR) Regulations. The Board of Directors function either as a full board or through various committees constituted to oversee specific operational areas.

Our Board of Directors consist of six (6) Directors of which three (3) are Independent Directors, and we have two (2) women director on the Board. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

## **Committees of the Board:**

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Details of the Committees as on the date of this Draft Red Herring Prospectus are set forth below

### **1. Audit Committee**

Our Company has formed Audit Committee, vide Board Resolution passed in the meeting dated August 11, 2023 & subsequent amendment thereof on May 23, 2024 in compliance with the provisions of the Section 177 of the Companies Act, 2013 read with rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and Regulation 18 of SEBI Listing Regulations. The Audit Committee comprises following members:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Pradeep Kumar	Chairperson	Independent Director
Abhilasha Gaur	Member	Independent Director
Amrit Lal Manwani	Member	Managing Director
Udayan Mukerji	Member	Independent Director

The Company Secretary of the Company shall act as a Secretary to the Audit Committee. The scope and function of the Audit Committee and its terms of reference shall include the following:

#### **A. Tenure of the Committee:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### **B. Meetings of the Committee:**

The audit committee shall meet at least four times in a year and not more than one hundred and twenty days shall elapse between two meetings. The quorum for audit committee meeting shall either be two members or one third of the members of the audit committee, whichever is greater, with at least two independent directors. The Chairperson of the Audit Committee shall be present at Annual general meeting to answer shareholder queries.

#### **C. Power of the Committee:**

The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **D. Role of the Committee:**

The Role of Audit Committee together with its powers as per Part C of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

##### **The role of the Audit Committee shall include the following:**

- 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;
  - g. modified opinion(s) in the draft audit report.
- 5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, 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 listed entity with related parties;
- 9) scrutiny of inter-corporate loans and investments;
- 10) valuation of undertakings or assets of the listed entity, 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 of 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) Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.

Further, the Audit Committee shall mandatorily review the following information:

- 1) management discussion and analysis of financial condition and results of operations;
- 2) management letters/ letters of internal control weaknesses issued by the statutory auditors;
- 3) internal audit reports relating to internal control weaknesses;
- 4) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- 5) statement of deviations:
  - a. quarterly/ half yearly 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 ICDR Regulations;
  - b. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Nomination and Remuneration Committee

Our Company has formed Nomination and Remuneration Committee, vide Board Resolution passed in the meeting dated August 11, 2023 & subsequent amendment thereof on May 23, 2024 in compliance with the provisions of the Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and Regulation 19 of SEBI Listing Regulations. The Nomination and Remuneration Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Udayan Mukerji	Chairperson	Independent Director
Abhilasha Gaur	Member	Independent Director
Pradeep Kumar	Member	Independent Director
Varun Manwani	Member	Non-Executive Director

The scope and function of the Committee and its terms of reference shall include the following:

### A. Tenure of the Committee:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

### B. Meetings of the Committee:

The nomination and remuneration committee shall meet 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 Chairperson of the nomination and remuneration

committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

**C. Role of Terms of Reference:**

The Role of Nomination and Remuneration Committee as Part D of Schedule II of SEBI Listing Regulation and Companies Act, 2013 shall be as under:

1. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. For the appointment of an independent director, the 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 of directors of the Company 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.
3. formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. devising a policy on diversity of board of directors;
5. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. recommend to the board, all remuneration, in whatever form, payable to senior management;
8. Performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

**3. Stakeholders Relationship Committee**

Our Company has formed Stakeholders Relationship Committee, vide Board Resolution passed in the meeting dated May 23, 2024 in compliance with the provisions of the Section 178(5) of the Companies Act, 2013 read with rules framed thereunder and Regulation 20 of SEBI Listing Regulations. The Stakeholders Relationship Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Varun Manwani	Chairperson	Non-Executive Director
Udayan Mukerji	Member	Independent Director
Amrit Lal Manwani	Member	Managing Director

The scope and function of the Stakeholder Relationship Committee and its terms of reference shall include the following:

**A. Tenure of the committee:**

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**B. Meetings of the committee:**

The stakeholder's relationship committee shall meet at least once in a year. The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.

**C. Terms of Reference:**

The Role of Stakeholders Relationship Committee as Part D of Schedule II of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 shall be as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
5. Such roles as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.



#### 4. Corporate Social Responsibility Committee

Our Company has formed Corporate Social Responsibility Committee, vide Board Resolution passed in the meeting dated May 23, 2024 in compliance with the provisions of the Section 135 & Schedule VII of the Companies Act, 2013 read with rules framed thereunder. The Corporate Social Responsibility Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Pradeep Kumar	Chairperson	Independent Director
Arunima Manwani	Member	Executive Director
Abhilasha Gaur	Member	Independent Director
Udayan Mukerji	Member	Independent Director

The Committee shall act in accordance with the provisions of Companies Act, 2013 and the tenure, meeting and terms of reference specified hereunder:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on activities referred to in Section 135(a) of the Companies Act, 2013;
- To institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time;
- To Monitor the Corporate Social Responsibility policy of the Company from time to time; and
- Any other matter of CSR Committee may deem appropriate after approval of the Board of Directors or as may be delegated by the Board and/ or prescribed under the Companies Act, 2013 or other applicable law.

#### Policy on Disclosures & Internal procedure for prevention of Insider Trading:

The provisions of Regulation 8 and 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. We shall comply with the requirements of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 on listing of our Equity Shares on stock exchange. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue. Our Board is responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct for Prevention of Insider Trading conduct under the overall supervision of the Board.

#### KEY MANAGERIAL PERSONNEL

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

Name, Designation, Educational Qualification & Term of office	Age (Years)	Year of joining	Compensation paid for F.Y. ended 2023-24 (in ₹ Lakhs)	Overall experience (in years)	Previous employment
<b>Amrit Lal Manwani</b> <b>Designation:</b> Chairman & Managing Director <b>Educational Qualification:</b> Bachelor in Technology in Electrical Engineering and Master of Business Administration <b>Term of office:</b> For a period of three years, with effect from June 19, 2023, not liable to retire by rotation	74	2023	175.00	50	NA
<b>Maneesh Tiwari</b> <b>Designation:</b> Chief Financial Officer <b>Educational Qualification:</b> Master of Commerce & Masters of Business Administration (Financial Management)	43	2023	10.28	19	Sahasra Electronics Private Limited*
<b>Neha Tahir</b> <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification -</b> Company Secretary & Bachelor of Laws	33	2023	5.10	8	APAC & Associates LLP

\* Maneesh Tiwari was appointed in year 2005 in the group company Sahasra Electronics Private Limited as 'Accounts Assistant', on June 01, 2022 he was internally transferred to our company, thereon, on July 01, 2023 he was re-designated as the CFO of the company.

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

**Amrit Lal Manwani** - Please refer to section “**Brief Profile of our Directors**” beginning on page 125 of this Draft Red Herring Prospectus for details.

**Maneesh Tiwari** is the Chief Financial Officer of our Company. He has completed his Master of Commerce from Ch. Charan Singh University, Meerut in year 2003, thereon in 2014 he has completed his Master of Commerce & Masters of Business Administration (Financial Management) from Indira Gandhi National Open University. He has over 19 years of experience in Accounts, Finance, taxation matters and audits. He looks after the overall financial matters of our Company.

**Neha Tahir** is the Company Secretary and Compliance Officer of our Company. She is an associate member of the Institute of Company Secretaries of India since 2016 and has completed Bachelor of Laws from Dr. Bhimrao Ambedkar University, Agra in year 2017. She has experience of around 8 years in the field of secretarial and corporate law compliances. She is currently responsible for the overall Corporate Governance and secretarial Compliance and functions of our Company.

All the Key Managerial Personnel are permanent employees of our Company.

## SENIOR MANAGEMENT PERSONNEL

The brief details of our senior management personnel are as follows:

**Dilip Kumar Singh** is the General Manager (Stores) in our Company. He has completed his Diploma in Electronics in 1993. He looks after functions such as purchase and quality control of our Company. He has experience of around 30 years.

**Y B Satishkumar** is the Business Head (Operations) in our Company. He has completed his Bachelor of Engineering in Production Engineering in 2002 from University of Madras. He looks after functions such as engineering, manufacturing and plant management of our Company. He has experience of around 20 years .

**Aman Tyagi** is the General Manager (Manufacturing) in our Company. He has completed his Bachelor in Technology (Electronics & Comm Engineering) in 2010 from Punjab Technical University, Jhalandar. He looks after functions such as engineering and SMT processing of our Company. He has experience of around 14 years.

**Rahul Gupta** is the Vice President (Business Development) in our Company. He has completed his Bachelor of Engineering (Mechanical) in 2006 from Maharshi Dayanand University, Rohtak. He looks after functions such as manufacturing, operations and vendor development of our Company. He has experience of around 17 years.

### We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above-mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Amrit Lal Manwani is also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended March 31, 2024.
- Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- None of the Key Managerial Personnel hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except as under.

Sr. No.	Name of the KMPs	No of shares held
1.	Amrit Lal Manwani	1,79,64,700
	<b>Total</b>	<b>1,79,64,700</b>

- Presently, we do not have Employee Stock Option Plan (ESOP)/ Employee Stock Purchase Scheme (ESPS) for our employees.

### Nature of any family relationship of our Key Managerial Personnel (KMP)

The following KMP of the Company are related to any director or KMP within the meaning of Section 2 (77) of the Companies Act, 2013. Details of which are as follows:

Sr. No.	Name of the Director/KMPs	Relationship
1.	Amrit Lal Manwani	Father of Varun Manwani & Father-in Law of Arunima Manwani

### **Payment of benefits to officers of Our Company (non-salary related)**

Except as disclosed in this Draft Red Herring Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation. Contributions are made by our Company towards the Provident fund, Gratuity fund and Employee State Insurance

### **Changes in the Key Managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

<b>Name of Directors</b>	<b>Date of Change</b>	<b>Reasons for Change</b>
Amrit Lal Manwani	June 26, 2023	Re-designated as Managing Director
Neha Tahir	July 01, 2023	Appointed as Company Secretary
Maneesh Tiwari	July 01, 2023	Appointed as Chief Financial Officer
Amrit Lal Manwani	April 09, 2024	Designated as Chairman
Neha Tahir	April 09, 2024	Re-designated as Company Secretary & Compliance Officer

### **Interest of our Key Managerial Personnel**

Apart to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company, none of our Key Managerial Personal is interested in our Company. For details, please refer section titled "**Financial information of the Company – Note Y - Related Party Disclosures**" beginning on page 168 of this Draft Red Herring Prospectus.

### **Interest in the property of our Company**

Except as mention in section titled "**Interest of Directors**" our KMPs do not have any interest in any property acquired by our Company in a period of two years before the filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on the date of filing the Red Herring Prospectus with RoC.

### **Details of the Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

### **Loans given/availed by Directors / Key Managerial Personnel of our Company**

For details of unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to "**Note – Related Party Disclosure**" page 168 of this Draft Red Herring Prospectus.

### **Employee Stock Option Plan ('ESOP')/ employee stock purchase scheme ('ESPS Scheme') to Employees**

Presently, we do not have any ESOP/ ESPS Scheme for our employees.

**OUR PROMOTERS & PROMOTER GROUP**

**OUR PROMOTERS:**

The Promoters of our Company are Amrit Lal Manwani, Arunima Manwani & Varun Manwani.

As on date of this Draft Red Herring Prospectus, the Promoters, in aggregate, hold 1,79,67,100 Equity shares of our Company, representing 94.99% of the pre-offer paid-up Equity Share capital of our Company. For details of the build-up of the Promoters’ shareholding in our Company, see “*Capital Structure – History of the Equity Share Capital held by our Promoters*”, on page 57 of this Draft Red Herring Prospectus.

***Brief Profile of our Promoters is as under:***

	<p><b>Amrit Lal Manwani – Chairman &amp; Managing Director</b></p> <p>Amrit Lal Manwani, aged 74 years, is one of our Promoters and is also the Chairman and Managing Director on our Board. For further details, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see “<i>Our Management –Brief profile of Directors</i>” on page 125 of this Draft Red Herring Prospectus.</p> <p><b>Other ventures of our Promoters-</b> Except as mentioned below and as set out in the chapter titled ‘<i>Our Management</i>’, our Promoters are not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.</p> <p><b>Proprietorship:</b></p> <ol style="list-style-type: none"> <li>1. Sahasra Electronics</li> <li>2. Sahasra Electronic Solutions</li> </ol> <p>His permanent account number is ABQPM2852B.</p> <p>For details of his shareholding, please see “<i>Capital Structure</i>” on page 57 of this Draft Red Herring Prospectus.</p>
	<p><b>Arunima Manwani – Executive Director</b></p> <p>Arunima Manwani, aged 42 years, is one of our Promoters and is also the Executive Director on our Board. For further details, i.e., her date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see “<i>Our Management –Brief profile of Directors</i>” on page 125 of this Draft Red Herring Prospectus.</p> <p><b>Other ventures of our Promoters-</b> Except as set out in the chapter titled ‘<i>Our Management</i>’, our Promoter is not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.</p> <p>Her permanent account number is AKQPR4131H.</p> <p>For details of her shareholding, please see “<i>Capital Structure</i>” on page 57 of this Draft Red Herring Prospectus.</p>
	<p><b>Varun Manwani- Non-Executive Director</b></p> <p>Varun Manwani, aged 43 years, is one of our Promoters and is also the Non-Executive Director on our Board. For further details, i.e., his date of birth, residential address, educational qualifications, experience in business or employment, business and financial activities, special achievements, positions/posts held in the past and other directorships, see “<i>Our Management –Brief profile of Directors</i>” on page 125 of this Draft Red Herring Prospectus.</p> <p><b>Other ventures of our Promoters-</b> Except as set out in the chapter titled ‘<i>Our Management</i>’, our Promoter is not involved with any other venture, as a shareholder/ stakeholder, proprietor, partner, promoters or director.</p> <p>His permanent account number is AIHPM9176G.</p> <p>For details of his shareholding, please see “<i>Capital Structure</i>” on page 125 of this Draft Red Herring Prospectus.</p>

## BRIEF PROFILE OF PROMOTERS

**Amrit Lal Manwani** - Please refer to chapter “**Our Management**” beginning on page 125 of this Draft Red Herring Prospectus for details.

**Arunima Manwani** - Please refer to chapter “**Our Management**” beginning on page 125 of this Draft Red Herring Prospectus for details.

**Varun Manwani** - Please refer to chapter “**Our Management**” beginning on page 125 of this Draft Red Herring Prospectus for details.

### Confirmations/ Declarations:

In relation to our Promoters, Amrit Lal Manwani, Arunima Manwani & Varun Manwani, our Company confirms that the PAN, Bank Account Numbers, Passport Number, Aadhaar Card Number and Driving License number shall be submitted to NSE at the time of filing of this Draft Red Herring Prospectus.

### Undertaking/ Confirmations:

None of our Promoters 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 or
- 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 Promoters, Group Company and Company promoted by the promoters 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 Promoters, Group Company and Company promoted by the promoters during the past three years.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “**Outstanding Litigations and Material Developments**” beginning on page 223 of this Draft Red Herring Prospectus.
- None of our Promoters, person in control of our Company is 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.

### Interest of our Promoters:

#### i. Interest in promotion and shareholding of Our Company:

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Draft Red Herring Prospectus, our Promoters, Amrit Lal Manwani, Arunima Manwani & Varun Manwani collectively holds 1,79,67,100 Equity Shares in our Company i.e. 94.99% of the pre-offer paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of the remuneration, as per the terms of their appointment and reimbursement of expenses payable to them for the rent, purchase and sale transactions. For details, please refer to **Note - Y – “Related Party Transactions”** beginning on page 168 of this Draft Red Herring Prospectus.

For details regarding the shareholding of our Promoters in our Company, please see “**Capital Structure**” on page 57 of this Draft Red Herring Prospectus.

#### ii. Interest in the property of Our Company:

Except for the acquisition of the liabilities and assets of the erstwhile proprietorship of our Managing Director Amrit Lal Manwani pursuant to the business purchase agreement dated February 22, 2023 and the details mentioned below, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us as on date of this Draft Red Herring Prospectus.

S. No.	Address of Property	Actual Use	Details of property
1.	33, Pocket 1, Jasola Vihar, New Friends Colony, South Delhi, New Delhi, India – 110025	Registered Office	The property admeasuring 300 sq. feet has been taken on lease vide a lease deed dated January 01, 2024 entered with Varsha B P Manwani valid for 11 months starting from January 01, 2024 to November 30, 2024 at a monthly rent of ₹ 15,000 per month.

S. No.	Address of Property	Actual Use	Details of property
2.	A-4 Phase-II, Gautam Buddha Nagar, Noida-201305 Uttar Pradesh	Warehouse	The property has been taken on lease vide a lease agreement dated April 12, 2024 entered with Infopower Technologies Private Limited (Infopower Technologies Limited) valid for 11 months starting from April 12, 2024 to March 11, 2025 at a monthly rent of ₹ 60,000 per month.
3.	Plot no B-3/1, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar-301019, Rajasthan India	Proposed expansion	The property admeasuring land area of 1,500 sq. meters has been taken on lease vide a lease agreement dated June 15, 2024 entered with Sahasra Electronics Private Limited valid for 5 years starting from June 15, 2024 at a monthly rent of ₹ 75,000 per month.

For further details of property please refer to Chapter titled “**Our Business**” beginning on page 95 of this Draft Red Herring Prospectus.

**iii. In transactions for acquisition of land, construction of building and supply of machinery**

None of our Promoters or Directors is interested in any transaction for the acquisition of land, construction of building or supply of machinery.

**iv. Other Interests in our Company**

For transactions in respect of loans and other monetary transactions entered in past please refer **Note - Y on “Related Party Transactions”** on page 168 forming part of “**Financial Information of the Company**” of this Draft Red Herring Prospectus.

Further, our promoters may be interested to the extent of personal guarantees given by them in favor of the Company, for the details of Personal Guarantee given by Promoters towards Financial facilities of our Company please refer to “**Statement of Financial Indebtedness**” and “**Financial Information of Our Company**” on page 212 and 142 respectively of this Draft Red Herring Prospectus.

**Payment or Benefits to our Promoters and Promoter Group during the last 2 years:**

For details of payments or benefits paid to our Promoters and promoter group, please refer to the paragraph “**Compensation of our Managing Director**” in the chapter titled “**Our Management**” beginning on page 125 also refer **Note - Y on “Related Party Transactions”** on page 168 forming part of “**Financial Information of the Company**” and Paragraph on “**Interest of Promoter**” in chapter titled “**Our Promoters and Promoter Group**” on page 137 of this Draft Red Herring Prospectus.

**Companies/Firms with which our Promoters have disassociated in the last (3) three years**

None of our promoters have disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus.

**Other ventures of our Promoter**

Save and except as disclosed in this section titled “**Our Promoter & Promoter Group**” beginning on page 137 of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

**Litigation details pertaining to our Promoter**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “**Outstanding Litigations and Material Developments**” beginning on page 137 of this Draft Red Herring Prospectus.

**Experience of Promoters in the line of business**

Our Promoters, Amrit Lal Manwani, Arunima Manwani & Varun Manwani have an experience of around 50 years, 10 years and 23 years respectively in the business of electronics industry. The Company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

**Related Party Transactions**

Except as stated in “**Note - Y - Related Party Transactions**” beginning on page 168 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

**OUR PROMOTER GROUP:**

In addition to the Promoters 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, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoter) are as follows:

Relationship	Name of the Relatives		
	Amrit Lal Manwani	Arunima Manwani	Varun Manwani
Father	Lt. Narain Das Manwani	Rudradeo Prasad Rajesh	Amrit Lal Manwani
Mother	Late Padma Manwani	Renu Rajesh	Varsha B P Manwani
Spouse	Varsha B P Manwani	Varun Manwani	Arunima Manwani
Brother	Lt. Roop Chand Manwani	Anurag Rajesh	Akshay Manwani
Sister	Lt. Meera Sidhwani	Richa Rajesh	-
	Lajvanti Wadhvani		
Son	Akshay Manwani	Ahaan Manwani	Ahaan Manwani
	Varun Manwani		
Daughter	-	Suhana Manwani	Suhana Manwani
Spouse's Father	Lt. William Dennis Tarsius Nazareth	Amrit Lal Manwani	Rudradeo Prasad Rajesh
Spouse's Mother	Lt. Aileen Marie Nazareth	Varsha B P Manwani	Renu Rajesh
Spouse's Brother	-	Akshay Manwani	Anurag Rajesh
Spouse's Sister	-	-	Richa Rajesh

**2. Corporate Entities or Firms forming part of the Promoter Group:**

As per Regulation 2(1)(pp)(iv) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

S. No.	Nature of Relationship	Name of Entities
1.	any body corporate in which twenty per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member;	1. Sahasra Electronics Private Limited 2. Infopower Technologies Private Limited 3. Megma RFID And Labels Private Limited 4. Sahasra Sambhav Skill Development Private Limited
2.	any body corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and	1. Optima Technology Associates 2. Sahasra Electronics (Rwanda) Private Limited
3.	any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;	1. Sahasra Electronics 2. Sahasra Electronic Solutions

**3. Other persons included in Promoter Group:**

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1)(pp)(v) of SEBI (ICDR) Regulations 2018.

**DIVIDEND POLICY**

The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividends, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of other factors, including, restrictive covenants under the loan or financing documents that we may enter into from time to time.

The dividend distribution policy of our Company was adopted and approved by our Board in their meeting held on January 12, 2024. The Board shall, *inter alia*, consider certain financial, internal and external parameters before declaring dividend including level of debt, capital expenditure requirement, working capital requirement and profit earned during the year. Our Company may also, from time to time, pay interim dividends. The objective of the dividend policy is rewarding its Shareholders and retaining capital for growth and ensuring fairness, sustainability, and consistency in distributing profits to Shareholders. For details in relation to risks involved in this regard, see “**Risk Factor**” on page 25 of this Draft Red Herring Prospectus.

The details of the dividend paid by our Company on the Equity Shares during the last three Fiscals are given below:

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Number of equity shares at year/period ended	1,89,14,763*	1,79,69,500	NA
Face value per equity share (in ₹)	10	10	10
Dividend paid (in ₹ Lakhs)	11,68,01,750.00	-	-
Dividend per Equity Share (in ₹)	6.50	-	-
Rate of dividend (%)	65%	-	-
Mode of payment of dividend	RTGS	-	-

\*As on the dividend declaration date the company has 1,79,69,500 outstanding number of equity shares.

In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please see the section entitled “**Statement of Financial Indebtedness**” on page 212 of this Draft Red Herring Prospectus.

The amount of dividend paid in the past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or the amount thereof will be decreased in the future.



**SECTION-VI**

**RESTATED FINANCIAL STATEMENTS OF THE COMPANY**

**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION**

To,  
The Board of Directors,  
Sahasra Electronic Solutions Limited  
33, Pocket 1, Jasola Vihar,  
New Friends Colony, South Delhi,  
New Delhi, India, 110025

Dear Sirs,

1. We have examined the attached Restated Financial Statements of Sahasra Electronic Solutions Limited, comprising the Restated Statement of Assets and Liabilities as at March 31, 2024, March 31, 2023, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period 01.04.2023 to 31.03.2024 & 22.02.2023 to 31.03.2023, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 11.06.2024 for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus (Draft Offer Document/Offer Document) prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Offer Document/ Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Delhi & Haryana in connection with the proposed SME IPO. The Restated Financial Information of the Company have been Prepared by the Management of the Company and approved by the Board of Directors on the basis of preparation stated in Annexure IV of the Restated Financial Information. Our responsibility is to examine the Restated Financial Information and confirm whether such Restated Financial Information comply with the requirements of the Act, the Rules, SEBI-ICDR Regulations and the Guidance Note.
3. We, M/s Kapoor Tandon & Co., Chartered Accountants, been subject to peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid peer review certificate issued dated 05/01/2024 valid till 31/01/2027
4. We have examined these Restated Financial Information taking into consideration;
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 24.05.2024 in connection with the proposed SME IPO of the Company.
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the SME IPO.
5. These Restated Financial Information have been compiled by the Management from the audited Financial Statements of the Company for the Fiscal year March 31, 2024 and period from February 22, 2023 to March 31, 2023 which have been approved by the Board of Directors of the Company. The financial statements of the Company for the Fiscal year March 31, 2024 have been audited by us and the financial statement for the period from February 22, 2023 to March 31, 2023 has been audited by Jain Pramod Jain & Co., Chartered Accountant
6. Based on our examination and according to the information and explanation given to us, we report that the Restated Financial Information have been prepared:

- a) After incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively, if any to reflect the same accounting treatment as per the accounting policies and grouping/classifications; and
  - b) in accordance with the Act, ICDR Regulations and the Guidance Note.
7. For the purpose of our examination, we have relied on:
  8. Auditors' reports issued by us on the financial statements of the Company as at and for the Fiscal year March 31, 2024 and the financial statements of the Company for the period from February 22, 2023 to March 31, 2023 has been audited by Jain Pramod Jain & Co., Chartered Accountant as referred in Paragraph 5 above;
  9. We have also examined the following Notes to the Restated financial information of the Company set out in the Annexure V, prepared by the management and approved by the Board of Directors on June 11, 2024 for the fiscal March 31, 2024 and for the period February 22, 2023 to March 31, 2023.

Annexure V - Notes to the Restated Summary Financial Information;

- 1) Restated Statement of Share Capital, Reserves and Surplus as appearing in Note A to this report;
  - 2) Restated Statement of Long-Term Borrowings as appearing in Note B to this report;
  - 3) Restated Statement of principal terms of Secured Loans and Assets charged as security as appearing in Note B(A) to this report;
  - 4) Restated Statement of terms & conditions of unsecured loans as appearing in Note B(B) to this report;
  - 5) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note C to this report;
  - 6) Restated Statement of Long-Term Provisions as appearing in Note D to this report;
  - 7) Restated Statement of Short-Term Borrowings as appearing in Note E to this report;
  - 8) Restated Statement of Trade Payables as appearing in Note F to this report;
  - 9) Restated Statement of Other Current Liabilities as appearing in Note G to this report
  - 10) Restated Statement of Short-Term Provisions as appearing in Note H to this report;
  - 11) Restated Statement of Fixed Assets as appearing in Note I to this report;
  - 12) Restated Statement of Non-Current Investments as appearing in Note J to this report
  - 13) Restated Statement of Long-Term loans and advances as appearing in Note K to this report
  - 14) Restated Statement of Other Non-Current Assets as appearing in Note L to this report
  - 15) Restated Statement of Trade Receivables as appearing in Note M to this report;
  - 16) Restated Statement of Cash and Cash Equivalents as appearing in Note N to this report;
  - 17) Restated Statement of Inventories as appearing in Note O to this report;
  - 18) Restated Statement of Short-Term Loans and Advances as restated as appearing in Note P to this report;
  - 19) Restated Statement of Other Current Assets as appearing in Note Q to this report;
  - 20) Restated Statement of Revenue from Operations as appearing in Note R to this report;
  - 21) Restated Statement of Other Income as appearing in Note S to this report;
  - 22) Restated Statement of Cost of Material Consumed as appearing in Note T to this report;
  - 23) Restated Statement of Change in Inventories of Work in progress and finished goods as appearing in Note U to this report;
  - 24) Restated Statement of Employee Benefit Expenses as appearing in Note V to this report;
  - 25) Restated Statement of Finance Cost as appearing in Note W to this report;
  - 26) Restated Statement of Depreciation & Amortization as appearing in Note I to this report;
  - 27) Restated Statement of Other Expenses as appearing in Note X to this report;
  - 28) Restated Statement of Related Party Transactions as appearing in Note Y to this report;
  - 29) Restated Statement of Tax Shelter as appearing in Note Z to this report;
  - 30) Capitalization Statement as appearing in Note ZA to this report;
  - 31) Restated Statement of Mandatory Accounting Ratios as appearing in Note ZB to this report;
  - 32) Restated Statement of Other Disclosures as per Schedule-III of the Companies Act 2013 as appearing in Note ZC to this report;
  - 33) Restated Statement of Other Disclosures as appearing in Note ZD to this report;
  - 34) Restated Statement of Contingent Liabilities as appearing in Note ZE to this report;
10. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 7 above.
  11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
  12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Offer Document/Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Delhi & Haryana in connection with the proposed SME IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
  
14. In our opinion, the above financial information contained in Annexure I to Annexure III of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

**For M/S Kapoor Tandon & Co.**

Chartered Accountants

Firm Registration No. -000952C

Peer Review No.: 016174

Sd/-

Devendra S. Mathur

(Partner)

Membership No.: - 082570

Place: - New Delhi

Date.: June 11, 2024

UDIN – 24082570BKHVVB2291

## ANNEXURE – I

## RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

PARTICULARS		NOTE	As at the year ended	
			March 31, 2024	March 31, 2023
A)	<b>EQUITY AND LIABILITIES</b>			
1.	<b>Shareholders' Funds</b>	A		
(a)	Share Capital		1,891.48	1,796.95
(b)	Reserves & Surplus		4,140.21	230.55
(c)	Share Application Money			-
	<b>Total</b>		<b>6,031.69</b>	<b>2,027.50</b>
2.	<b>Non-Current Liabilities</b>			
(a)	Long Term Borrowings	B	-	-
(b)	Deferred Tax Liabilities (Net)	C	-	-
(d)	Long Term Provisions	D	35.96	26.11
	<b>Total</b>		<b>35.96</b>	<b>26.11</b>
3.	<b>Current Liabilities</b>			
(a)	Short Term Borrowings	E	2,171.89	689.84
(b)	Trade Payables	F	-	-
	Due to Micro and small enterprises		220.96	386.53
	Due to Others		1,535.29	905.75
(c)	Other Current Liabilities	G	680.96	640.88
(d)	Short Term Provisions	H	127.62	143.62
	<b>Total</b>		<b>4,736.71</b>	<b>2,766.62</b>
	<b>Total</b>		<b>10,804.36</b>	<b>4,820.23</b>
B)	<b>ASSETS</b>			
1.	<b>Non-Current Assets</b>			
(a)	Property, Plant and Equipment and Intangible Assets	I		
	i) Property, Plant and Equipment		1,336.56	1,136.16
	ii) Intangible Assets		1.60	-
	iii) Capital Work in progress		-	-
(b)	Non-Current Investment	J	959.00	659.00
(c)	Deferred Tax Assets (Net)	C	18.24	13.85
(d)	Long Term Loans and Advances	K	134.08	-
(e)	Other Non-Current Assets	L	485.97	22.80
	<b>Total</b>		<b>2,935.46</b>	<b>1,831.81</b>
2.	<b>Current Assets</b>			
(a)	Trade Receivables	M	2,656.69	1,764.74
(b)	Cash and Cash equivalents	N	1,710.08	316.60
(c)	Inventories	O	2,108.21	801.69
(d)	Short-Term Loans and Advances	P	1,357.09	60.05
(e)	Other Current Assets	Q	36.83	45.35
	<b>Total</b>		<b>7,868.90</b>	<b>2,988.42</b>
	<b>Total</b>		<b>10,804.36</b>	<b>4,820.23</b>

## ANNEXURE – II

## RESTATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

PARTICULARS		Note	For the year ended on	
			March 31, 2024	March 31, 2023
1	Revenue From operations	<b>R</b>	10,115.27	1,043.10
2	Other Income	<b>S</b>	163.52	20.81
3	<b>Total Revenue</b>		<b>10,278.79</b>	<b>1,063.91</b>
4	<b>Expenses</b>			
(a)	Cost of Material Consumed	<b>T</b>	5,523.54	989.38
(b)	Purchase of Stock in trade		-	-
(c)	Change of Inventories of Work in progress and finished goods	<b>U</b>	(213.19)	(268.73)
(d)	Employee Benefit Expenses	<b>V</b>	886.22	52.51
(e)	Finance Costs	<b>W</b>	107.88	8.57
(f)	Depreciation and Amortisation Expenses	<b>I</b>	203.32	19.48
(g)	Other Expenses	<b>X</b>	351.23	23.32
5	<b>Total Expenses</b>		<b>6,859.00</b>	<b>824.53</b>
6	<b>Profit/(Loss) Before Exceptional &amp; Extraordinary items &amp; Tax (3-5)</b>		3,419.79	239.38
7	Exceptional item		-	-
8	<b>Profit/(Loss) Before Extraordinary items &amp; Tax (6-7)</b>		<b>3,419.79</b>	<b>239.38</b>
9	Prior Period Expenses		-	-
10	Extraordinary items		-	-
11	<b>Profit/(Loss) Before Tax (8-9-10)</b>		<b>3,419.79</b>	<b>239.38</b>
12	<b>Tax Expense:</b>			
(a)	Current Tax		597.51	39.96
(b)	Deferred Tax		(4.39)	(13.85)
(c)	Previous year Tax		-	-
(d)	MAT Credit entitlements		(436.10)	(17.27)
(e)	Prior period expenses		-	-
(f)	Excess/ short provision written back/ off		-	-
	<b>Total</b>		<b>157.02</b>	<b>8.83</b>
13	<b>Profit/(Loss) for the Year</b>		<b>3,262.77</b>	<b>230.55</b>

## ANNEXURE – III

## RESTATED STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	For the year ended on	
	March 31, 2024	March 31, 2023
<b>A) Cash Flow From Operating Activities :</b>		
<b>Net Profit before tax as per Statement of Profit &amp; Loss</b>	3,419.79	239.38
Adjustment for :		
Depreciation and amortization Expenses	203.32	19.48
Finance Cost	107.88	8.57
Interest Income	(27.64)	(3.92)
Loss on sales of Assets	0.29	-
<b>Operating profit before working capital changes</b>	<b>3,703.64</b>	<b>263.51</b>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(891.95)	(50.17)
(Increase)/Decrease in Inventory	(1,306.52)	55.60
(Increase)/Decrease in Short Term Loans & Advances	(1,297.04)	110.77
(Increase)/Decrease in Other Current Assets	(13.85)	(22.98)
Increase/(Decrease) in Trade Payables	463.97	55.30
Increase/(Decrease) in Other Current Liabilities	40.07	238.06
Increase/(Decrease) in Short Term Provisions, etc	(18.70)	(467.53)
<b>Cash generated from operations</b>	<b>679.62</b>	<b>182.56</b>
Less:- Income Taxes paid	584.96	-
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>94.66</b>
<b>B) Cash Flow From Investing Activities :</b>		
Purchase of Fixed Assets including of CWIP	(485.18)	(13.53)
Sale of property	79.27	-
Loans & Advances given/ repayment	(134.08)	87.66
Investment made/ sold during the period	(300.00)	-
(Increase)/Decrease in Non- Current Assets	(26.80)	(5.53)
Interest Income	27.64	3.92
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(839.15)</b>
<b>C) Cash Flow From Financing Activities :</b>		
Proceeds from Issue of Share Capital	1,931.81	0.51
Dividend Paid	(1,168.02)	-
Borrowings taken/ repaid during the period	1,482.05	(108.76)
Finance Cost	(107.88)	(8.57)
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>(116.82)</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>(A+B+C)</b>	<b>138.27</b>
Cash equivalents at the beginning of the year	316.60	178.33
<b>Cash equivalents at the end of the year</b>	<b>1,710.08</b>	<b>316.60</b>

Notes:-

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
<b>Component of Cash and Cash equivalents</b>		
Cash on hand	0.68	1.11
Balance With banks	609.40	184.66
Fixed Deposits	1,100.00	130.83
<b>Total</b>	<b>1,710.08</b>	<b>316.60</b>

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated.

## ANNEXURE – IV

### SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL STATEMENTS

#### COMPANY OVERVIEW

The Company is engaged in manufacturing of Printed Circuit Boards, LED Lighting Products and USB Flash Storage Devices. The Company has registered office at House No. - 33, Pocket-I, Jasola, New Delhi – 110025 and is having factory at Noida Special Economic Zone, Noida, Uttar Pradesh– 201305.

#### I. SIGNIFICANT ACCOUNTING POLICIES

##### A) BASIS OF PREPARATION OF FINANCIAL STATEMENT

The Restated Financial Statements (Annexure I) comprises of financial statements of Sahasra Electronic Solutions Limited as at March 31, 2024, March 31, 2023 and the Restated Statement of Profit and Loss (Annexure II) and Restated Statements of Cash Flows (Annexure III) for the same period mentioned above and the annexure thereto (collectively, the “Restated Financial Statements”) have been extracted by the management from the audited Financial Statements of the Company for the period/year 01.04.2023 to 31.03.2024 and 22.02.2023 to 31.03.2023 approved by the respective Board of Directors of the companies.

These financial statements are prepared on a Going Concern Basis and in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

These financial statements are now restated as per requirements of Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“the SEBI ICDR Regulations”) and Guidance note on reports in Company Prospectus (Revised 2019) (“Guidance Note”) issued by the Institute of chartered Accountants of India (“ICAI”).

##### B) BASIS OF MEASUREMENT

The Restated Financial Statements have been prepared on accrual basis and under historical cost convention, except for certain financial assets and liabilities which are measured at fair value.

The Restated financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the period presented in the Restated financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The Functional and presentation currency of the company is Indian Rupees (“INR”) which is the currency of the primary economic environment in which the Company operates. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “(Zero)” in the relevant notes to Restated financial statements.

##### C) USE OF ESTIMATES

The preparation of Restated Financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance sheet date, reported amount of revenue and expenditure for the year /period and disclosures of contingent liabilities as at the Balance sheet date. The judgements, estimates and assumptions used in the accompanying Restated Financial statements are based upon the Management’s evaluation of the relevant facts and circumstances as at the date of the Restated Financial statements. Actual results could differ from these judgements, estimates and assumptions. Estimates and underlying assumptions are reviewed on a year basis. Revisions to accounting estimates, if any, are recognized in the year /period in which the estimates are revised and in any future years affected.

#### Summary of Significant Accounting Policies

##### A. Revenue recognition

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

## B. Property, plant and equipment's

Property, Plant & Equipment are stated at cost less accumulated depreciation. Cost of acquisition of such assets is inclusive of all incidental expenses incurred in bringing the assets to their working condition for the intended use.

The cost of a self-constructed item of property, plant and equipment are stated as per Cost Model i.e., at cost less depreciation and impairment, if any. Cost directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent expenditure relating to property, plant and equipment are capitalized or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting year/period in which they are incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment's and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

## C. Depreciation

Depreciation on Property, Plant & Equipment has been provided pro-rata to the period of use, on the written down value method, using rates determined based on management's assessment of useful economic lives of the asset at year end.

Following are the estimated useful life of various category of assets used evaluated at year end:

Asset Class	Life of the asset (in years)
Factory Buildings	30
Plant & Machinery	15
Furniture and fixtures	10
Building Fixtures	10
Electricals Equipment's & Fixtures	10
Computers (End user devices)	3
Air Conditioner	10
Office Equipment's	5
Vehicles – Car	8
Vehicles – Motor Bike	10
Temporary Partition	10

A Property, Plant & Equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of Property, Plant & Equipment which are carried at cost are recognized in the Statement of Profit and Loss.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

## D. Intangible Assets

Intangible Assets are amortized over a period of 3 years based on the estimated useful life as determined by the management. If the management's estimate of the useful life of an intangible asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, amortization is provided at a higher rate based on the management's estimate of the useful life/remaining useful life.



An intangible asset is derecognized on disposal or when no future economic benefit is expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets, and are recognized in the Statement of Profit and Loss.

#### **E. Impairment**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### **F. Inventories**

Inventories of Raw materials, Store and spare parts are valued at cost or Net Realisable value whichever is lower as per stocks taken by the management. Semi-finished and finished goods are valued at cost or Net Realisable value whichever is lower. Cost of raw material and stores and spare parts has been computed on the basis of Weighted average method. Cost of finished goods and semi-finished goods include Raw material cost and related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

#### **G. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized 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 charged to revenue.

#### **H. Employee Benefits**

- Defined contribution plan

The employee's provident fund scheme is a defined contribution plan. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

- Defined benefit plan

The Company's gratuity plan and leave encashment benefits are defined benefit plans. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service. The gratuity plan of the Company is unfunded.

#### **I. Foreign Exchange Transactions**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

#### **J. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

#### **K. Taxes on Income**

Tax expense for the year comprises of current tax and deferred tax. Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws.

Deferred Tax resulting from “timing differences” between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

#### **L. Provision, Contingent Liabilities and Contingent assets**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

#### **M. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and term deposits with highly liquid investments.

#### **N. Related Party Transactions**

Related parties as defined under Accounting Standard - 18 ‘Related Party Disclosures’ have been identified based on representations made by management and information available with the Company. All transactions with related parties are in the ordinary course of business and on arms' length basis.

#### **O. Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies act, 2013, a company, meeting the applicability threshold, need to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, health care, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. The funds were primarily allocated to a project and utilized through the year on these activities which are specified in schedule VII of the Companies Act, 2013.

Note – The threshold as per Section 135 of the Companies Act have been met during FY2023-24, hence CSR is not applicable on the company.

#### **P. Earnings per share**

The Company reports basic and diluted earnings per equity share in accordance with AS-20, ‘Earnings per share’. Basic earnings per equity share is computed by dividing net profit / loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end, except where the results are anti-dilutive.

#### **Q. Leases**

The company has taken machinery and factory on lease and classified as an Operating lease and lease rentals are recognized in profit of loss account as per lease terms.

#### **R. Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long term investments are stated at cost. Provision for diminution in the value of investments is made only if such a decline, in the opinion of the management, is other than temporary.

#### **S. Insurance Claim**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

#### **T. Government Grant / Subsidy**

Government Subsidy received in relation to purchase of Property, Plant & Equipment are adjusted with the cost of the identified assets.

Grants related to specific fixed assets are deducted from the gross value of the concerned assets in arriving at their book values.

## U. Segment Reporting

The Company is exclusively engaged in the business of Manufacturing of populated printed Circuit boards assembly, LED Lighting Products and USB Flash Storage Devices. This, in the context of Accounting Standard (AS 17) Segment Reporting, issued by The Institute of Chartered Accountants of India, constitutes one single primary segment.

The Company is having revenue from its customer which are located outside India; of more than 10% of its total revenue.

Accordingly, as per As-17 Segment Reporting the company has identified geographic segment as its reportable segment.

Similarly, Assets of outside India is identifiable to the extent of Continent wise Outstanding Trade Receivable only.

Accordingly, we have disclosed geographic Segment Revenue and Segment Assets in table below for Domestic (India) and Export (Outside India): -

Particulars	(Amount in ₹ Lakhs)	
	For period March 31, 2024	For period February 22, 2024 to March 31, 2023
<b>Revenue from operation</b>		
India	1,671.64	28.99
Outside India		
1. Africa	364.26	-
2. Asia	3.53	3.78
3. North America	8050.49	1007.02
4. South America	-	-
5. Europe	85.69	5.04
<b>Total</b>	<b>10175.61</b>	<b>1044.83</b>
<b>Carrying Amount of Segment Assets</b>		
India	281.12	125.14
Outside India	2,375.57	1,639.60
1. Africa	245.99	65.98
2. Asia	-	-
3. North America	2,094.20	1,535.18
4. South America	-	-
5. Europe	35.38	38.44
<b>Total</b>	<b>2,656.69</b>	<b>1,764.74</b>

## V. Employee Benefits

The Company has adopted Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The present Value of obligation of gratuity is determined based on actuarial valuation using the Projected unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment and long benefit award is also recognized in the same manner as gratuity.

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The disclosure as envisaged under the Accounting Standard is provided hereunder:

	(Amount in ₹ Lakhs)	
	Gratuity	
	31.03.2024	31.03.2023
<b>a) Change in Present Value of obligation</b>		
Defined Benefit obligation at beginning of the year	10.45	10.54
Current Service Cost	19.31	0.30
Interest Cost	0.77	0.08
Past Service Cost	-	-
Actuarial (gain)/Loss	(12.98)	(0.30)
Benefit Paid	-	(0.17)
Defined Benefit obligation at year end	17.55	10.45

	Gratuity	
<b>b) Amount Recognised in Profit &amp; Loss Account</b>		
Current Service Cost	19.31	0.30
Past Service Cost	-	-
Interest Cost	0.77	0.08
Net Actuarial (Gain)/ Loss recognised in the period	(12.98)	(0.30)
<b>Expenses recognised in Statement of Profit and Loss</b>	<b>7.10</b>	<b>0.08</b>
<b>C) Amount Recognised in Balance Sheet</b>		
Present Value of Obligation	17.55	10.45
Fair Value of Plan Assets	-	-
Effects Of Asset Ceiling	-	-
Net Asset/ (Liability)	(17.55)	(10.45)
<b>D) Actuarial Assumptions</b>		
Discounting Rate (per Annum)	7.15%	7.40%
Salary Growth rate (per Annum)	9.00%	12%
Expected rate of return on plan Assets (per Annum)	-	-
Mortality Table	100% of IALM 2012-14	-

## II. NOTES TO RESTATED SUMMARY STATEMENTS:

The financial statements for the period 01.04.2023 to 31.03.2024 and 22.02.2023 to 31.03.2023 respectively are prepared as per Schedule III of the Companies Act, 2013: -

- Contingent liabilities and commitments (to the extent not provided for):** A disclosure for a contingent liability is reported in the notes to restated financial restatements when there is a possible obligation that may, require an outflow of the Company's resources. For details of contingent liability please refer Note ZE of the financial statements.
- Related party transactions** are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note –Y of the enclosed financial statements.
- Deferred Tax liability/Asset in view of Accounting Standard – 22:** “Accounting for Taxes on Income” have been provided in the Note –C of the enclosed financial statements.

### 4. Directors' Remuneration:

(₹ in lakhs)

Particulars	F.Y. 2023-24	For the period 22.02.2023 to 31.03.2023
Directors' Remuneration	273.00	-
<b>Total</b>	<b>273.00</b>	<b>-</b>

### 5. Auditors' Remuneration:

(₹ in lakhs)

Particulars	F.Y. 2023-24	For the period 22.02.2023 to 31.03.2023
a. As Auditors		
Statutory & Tax Audit Fees	1.75	0.25
<b>Total</b>	<b>1.75</b>	<b>0.25</b>

### 6. Earnings per Share:

(Amt. ₹ in Lakhs, except EPS)

Particulars	F.Y. 2023-24	For the period 22.02.2023 to 31.03.2023
A. A. Total Number of equity shares outstanding at the end of the year (in lakhs)	18,914,763	17,969,500
B. Weighted average number of equity shares outstanding during the year (in lakhs)	18,074,023	17,745,781
C. Net profit after tax available for equity shareholders (excluding exceptional and extraordinary items) (as restated)	3262.77	230.55
D. Basic and Diluted earnings per share (₹)(C/B)	18.05	1.30

7. Figures have been rearranged and regrouped wherever practicable and considered necessary.

8. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.

9. The balances of trade payables, trade receivables, loans, and advances are unsecured and considered good and are subject to confirmations of the respective parties concerned.

10. Particulars of loans given, guarantee given or security provided and investment made as per section 186(4) of companies act 2013

S. No.	Particulars	Name of Co.	Amount (In lakhs)	Purpose
(a)	Investment made	Sahasra Semiconductors Private Limited	948	Investment for new project
(b)	Loan Given	Sahasra Semiconductors Private Limited	1,125	Investment for new project
(c)	Investment made	Infopower Technologies Private Limited	11	Investment to be utilized for working capital
(d)	Guarantee	Megma RFID & Labels Private Limited -NSEZ	500	To be utilized for business purpose
(e)	Guarantee	Sahasra Semiconductors Private Limited	2,750	To be utilized for business purpose

11. Balances of trade receivables, short term/long term loans and advances and trade payables are subject to confirmation/Reconciliation.

12. The company has utilized the borrowing received from banks for the purpose for which it was taken during the year.

13. The Company has not entered into any transaction with the Companies struck of U/S 248 of the Companies Act, 2013.

14. All benefits of Noida Special Economic Zone including Section 10AA of Income Tax act will be made available to the company from 22.02.2023 and onwards in pursuance of LOA letter no. 09/02/2005Proj/2794.

15. The Board of Directors in their meeting held on 12th Jan 2024 has recommended interim dividend of 65% i.e. ₹ 6.5/- on per fully paid-up equity share of ₹ 10/- each aggregating to ₹ 1,168.02 lakhs. Such dividend is proposed to be considered as final dividend.

16. Details of loans are granted to related parties that are repayable on demand.

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Related Parties (Sahasra Semi-Conductors Private Ltd)	1125 lakhs	100%

## 17. Realizations

In the opinion of the Board and to the best of its knowledge and belief, the value on the realization of current assets and loans and advances are approximate of the same value as stated.

## 18. Contractual liabilities

All other contractual liabilities connected with the business operations of the Company have been appropriately provided for.

## 19. Amounts in the financial statements

Amounts in the financial statements are rounded off to the nearest ` . Figures in brackets indicate negative values.

## 20. Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements

There have been no audit qualifications/observations in Statutory Auditor's Report for period March 31, 2023 and March 31, 2024 which requires adjustments in restated financial statements.

## 21. Material Adjustments

Appropriate adjustments have been made in the restated financial statements, whenever required, by a reclassification of the corresponding items of assets, liabilities, and cash flow statement, in order to ensure consistency and compliance with requirements of Schedule VI and Accounting Standards.

**Statement of Adjustments in the financial statements is presented here below:**

**RECONCILIATION OF RESTATED PROFIT**

(₹ in Lakhs)

Adjustments for	F.Y. 2023-24	For the period 22.02.2023 to 31.03.2023
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	3324.15	230.51
<b>Adjustments for:</b>		
Provision for gratuity (Refer note no.1)	0.08	(0.26)
Adjustment for Changes in cost of material consumed & Inventory	-	16.98
Short/excess Provision of tax (Note no. 2)	(2.95)	(1.64)
Short/excess Deferred tax Provision (Note no. 3)	(75.27)	(30.35)
Adjustment for difference in depreciation	16.76	8.84
Adjustment for Mat Credit	-	23.11
Adjustment for difference in other exp	-	(16.64)
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>3262.77</b>	<b>230.55</b>

**Notes: -**

1. The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits.
2. Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years and Mat Credit Availed.
3. Due to changes in depreciation and gratuity provisions the deferred tax component on the same has also undergone a change.
4. The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below:

**RECONCILIATION OF EQUITY AND RESERVES:**

(₹ In Lakhs)

Particulars	F.Y. 2023-24	For the period 22.02.2023 to 31.03.2023
<b>Equity and Reserves as per Audited Balance sheet</b>	<b>6093.03</b>	<b>2005.09</b>
Adjustments for:		
Share Capital		22.38
Opening adjustment to Reserve	0.04	
Difference Due to Change in P&L	(61.38)	0.04
Prior period Adjustments		
Adjustment done in Reserves, now correct through P& L		
<b>Equity and Reserves as per Re-stated Balance sheet</b>	<b>6031.69</b>	<b>2027.50</b>

Appropriate adjustments have been made in the restated financial statements, wherever required, by a reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

## NOTE – A

## RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	As At	
	March 31, 2024	March 31, 2023
<b>Authorised Share Capital</b>		
25000000 Equity shares of ₹10/- each	2,500.00	2,500.00
<b>Issued, Subscribed and Paid up Share Capital</b>		
18914763 Equity Shares of ₹ 10/- each fully paid up	1891.48	1774.57
Calls on arrears	-	22.38
<b>Total</b>	<b>1,891.48</b>	<b>1,796.95</b>

(₹ in Lakhs)

Particulars	As At	
	March 31, 2024	March 31, 2023
<b>Reserves and Surplus</b>		
<b>Surplus in Profit and Loss account</b>		
Balance at the beginning of Financial Year	230.55	-
During the year	3262.77	230.55
Balance as at the end of Financial Year	3,493.32	<b>230.55</b>
<b>Less: Interim Dividend</b>	<b>1168.02</b>	-
<b>Closing balance (A)</b>	<b>2,325.30</b>	<b>230.55</b>
<b>Security Premium</b>		
Addition During the Year	<b>1814.90</b>	-
<b>Total (B)</b>	<b>1814.90</b>	-
<b>Balance as at the end of Financial Year (A+B)</b>	<b>4140.21</b>	<b>230.55</b>

- Terms/rights attached to equity shares:
  - The company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share
  - In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
  - The Authorized Share Capital of the Company is 2,50,00,000 equity shares of ₹ 10/- each.
- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Company does not have any Revaluation Reserve.
- The reconciliation of the number of Equity shares outstanding as at: -

Particulars	As at	
	March 31, 2024	March 31, 2023
Number of shares at the beginning	1,79,69,500	-
Add: Bonus Share Issued	-	-
Add: Issue of shares	9,45,263	1,79,69,500
Number of shares at the end	1,89,14,763	1,79,69,500

- The detail of shareholders holding more than 5% of Shares: -

Name of Shareholders	As at	
	March 31, 2024	March 31, 2023
Amrit Lal Manwani	1,79,64,500	1,79,64,500

- Promoters' Shareholding

## Shares held by promoters at the end of the period 31.03.2024

Promoter's Name	No. of Shares	% of total Shares	% change during the year
Amrit Lal Manwani	1,79,64,500	94.98%	0.00%
Varun Manwani	1,200	0.01%	0.00%
Arunima Manwani	1,200	0.01%	0.00%
<b>Total</b>	<b>1,79,66,900</b>		

## Shares held by promoters at the end of the period 31.03.2023

Promoter's Name	No. of Shares	% of total Shares	% change during the year
Amrit Lal Manwani	1,79,64,500	99.99%	0.00%
Varun Manwani	1,200	0%	0.00%
Arunima Manwani	1,200	0%	0.00%
<b>Total</b>	<b>1,79,66,900</b>		

## NOTE – B

## RESTATED STATEMENT OF LONG-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As At	
	March 31, 2024	March 31, 2023
<b>Term loans</b>		
<b>(a) Secured Term Loans From Banks/ NBFC</b>		
-Canara Bank Term Loan	-	-
<b>Sub-total (a)</b>		
<b>(b) Non-Current Liabilities</b>		
-Deferred Tax Liabilities	-	-
<b>Sub-total (b)</b>		
<b>Total (a+b)</b>	-	-

Notes:

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE-B (A) and NOTE B (B).



**NOTE B(A) RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY AS PER SANCTION LETTER***(₹ in Lakhs)*

Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	*Re-Payment Schedule	Outstanding amount as on 31.03.2024 as per Books	Outstanding amount as on 31.03.2023 as per Books
HDFC Bank Ltd	Working Capital	150	1.80%+SOFAR	Leasehold land and building located at Plot 68-AA, NSEZ, Noida, Uttar Pradesh. Current asset (i.e stock & Debtors) given as primary & collateral security	-	-	-
Canara Bank	Working Capital	700	1.80%+SOFAR	Leasehold land and building located at Plot 68-AA, NSEZ, Noida, Uttar Pradesh. Current asset (i.e stock & Debtors) given as primary & collateral security	-	-	689.84
Citi Bank NA	Working Capital	5500	1.60%+SOFAR	Leasehold land and building located at Plot 68-AA, NSEZ, Noida, Uttar Pradesh. Current asset (i.e stock & Debtors) given as primary & collateral security	-	2,171.89	-
<b>Total Short Term Borrowings</b>						<b>2,171.89</b>	<b>689.84</b>
<b>Grand Total</b>						<b>2,171.89</b>	<b>689.84</b>

**NOTE B(B) STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

Name of Lender	Purpose	Sanctioned ₹ Lakhs	Rate of Interest	Outstanding amount as on 31.03.2024	Outstanding amount as on 31.03.2023
<b>FROM DIRECTORS:-</b>					
Amrit Lal Manwani	Business	NA	-	-	-
Varun Manwani	Business	NA	-	-	-
Arunima Manwani	Business	NA	-	-	-

**NOTE- C**  
**RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(₹ in Lakhs)

Particulars	As At	
	March 31, 2024	March 31, 2023
<b>Opening Balance (A)</b>		
Opening Balance of Deferred Tax (Asset) / Liability (A)	(13.85)	-
<b>Closing Balances (B)</b>	(18.24)	(13.85)
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	1.70	(2.30)
(DTA) / DTL on account of gratuity provision	(13.50)	(6.79)
(DTA) / DTL on account of sec 43 (b)	(6.45)	(4.76)
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>(18.24)</b>	<b>(13.85)</b>
<b>Current Year Provision (B-A)</b>	<b>(4.39)</b>	<b>(13.85)</b>

**NOTE - D**  
**RESTATED STATEMENT OF LONG-TERM PROVISIONS**

(₹ in Lakhs)

Particulars	As At	
	March 31, 2024	March 31, 2023
-Gratuity provision	17.19	10.46
-Leave encashment provision	18.77	15.65
<b>Total</b>	<b>35.96</b>	<b>26.11</b>

Notes: 1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE - E**  
**RESTATED STATEMENT OF SHORT-TERM BORROWINGS**

(₹ in Lakhs)

Particulars	As At	
	March 31, 2024	March 31, 2023
<b>Packing Credit Loans (Secured)</b>		
-Canara Bank (PCFC)	-	689.84
- HDFC Bank (PCFC)	-	-
- Citi Bank (PCFC)	2,171.89	-
<b>Subtotal (A)</b>	<b>2,171.89</b>	<b>689.84</b>
<b>Loans (Un Secured)</b>		
-Sahasra Electronics	-	-
<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>
<b>Current Maturity of Long-Term Debts</b>		
-Secured Term loans from Banks (Current Maturity)	-	-
<b>Subtotal (C)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>2,171.89</b>	<b>689.84</b>

Note: The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in Note-B (A) and Note B (B)

**NOTE - F**  
**RESTATED STATEMENT OF TRADE PAYABLES**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Trade Payables</b>		
<b>For Goods &amp; Services</b>		
Micro, Small and Medium Enterprises	220.96	386.53
Other than Micro, Small and Medium Enterprises	1535.29	905.75
<b>Total</b>	<b>1,756.25</b>	<b>1,292.28</b>

**Trade Payable Ageing as at March 31, 2024**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	More than 4 years	
MSME	220.96	-	-	-	-	220.96
Others	1,535.29	-	-	-	-	1,535.29

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	More than 4 years	
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Sub total	1,756.25	-	-	-	-	1,756.25
MSME - Undue	-	-	-	-	-	-
Others - Undue	-	-	-	-	-	-
<b>Total</b>	<b>1,756.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,756.25</b>

**Trade Payable Ageing as at March 31, 2023**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	More than 4 years	
MSME	386.53	-	-	-	-	386.53
Others	905.75	-	-	-	-	905.75
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
Sub total	1,292.28	-	-	-	-	1,292.28
MSME - Undue	-	-	-	-	-	-
Others - Undue	-	-	-	-	-	-
<b>Total</b>	<b>1,292.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,292.28</b>

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

**NOTE – G****RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As At	
	March 31, 2024	March 31, 2023
<b>Other Current Liabilities</b>		
-Advance from Customer	73.35	116.46
-Retention Money (against construction)	15.67	15.67
-Capital Creditor (Mr. Amrit Lal Manwani)	411.31	331.31
<b>Other payables</b>		
-Expenses Payable	50.97	65.93
-GST Payable	1.14	-
-TDS and TCS Payable	16.32	7.46
-EPF Payable	7.41	-
-ESIC Payable	-	-
-Other Payable (salary etc)	104.79	104.05
<b>Total</b>	<b>680.96</b>	<b>640.88</b>

Notes: The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE – H****RESTATED STATEMENT OF SHORT-TERM PROVISIONS**

(₹ in Lakhs)

Particulars	As At	
	March 31, 2024	March 31, 2023
<b>Provision for employee benefits</b>		
-Directors' remuneration Payable	-	-
-Labour Welfare Fund Payable	-	-
-Gratuity payable	0.35	0.02
-Leave Encashment Provision	12.21	-
-Bonus Payable	23.18	18.29
<b>Others</b>		
-Provision for taxation C/f	-	-
-Provision for taxation	52.51	39.96
-Provision for Expenses	39.37	85.35
<b>Total</b>	<b>127.62</b>	<b>143.62</b>

**NOTE – I**  
**RESTATED STATEMENT OF FIXED ASSETS**

March 31, 2024

(₹ in Lakhs)

Particulars	Useful Life	Rate	Gross Block				Depreciation				Net Block	
	(In Years)	31/03/2024	As at 01/04/2023	Additions during the year	Subsidy adjustment/ Deletion during the year	As at 31/03/2024	As at 01/04/2023	Total Depreciation During the year	Deletion/ Subsidy Adjustment During the year	Total Up to 31/03/2024	As at 31/03/2024	As at 31/03/2023
<b>(i) Tangible Assets</b>												
Land (Bhiwadi Factory)	50	10%	-	-	-	-	-	-	-	-	-	-
Plant, Machinery, Equipment & Utility	15	18.10%	581.60	395.99	75.60	901.99	11.24	124.12	11.24	124.12	777.87	570.36
Computer Peripheral	3	63.16%	2.99	8.52	-	11.51	0.09	5.68	-	5.77	5.75	2.90
Building Fire fitt. Fixture	10	25.89%	17.59	-	1.17	16.42	0.49	4.43	0.25	4.66	11.76	17.10
Furniture & Elec. fitting	10	25.89%	50.06	2.49	0.50	52.05	1.34	12.86	0.11	14.09	37.96	48.72
Office Equipment's	5	45.07%	2.10	3.46	-	5.56	0.10	1.75	-	1.85	3.71	2.00
Factory Building	30	9.50%	428.60	50.12	-	478.72	4.33	42.44	-	46.77	431.95	424.27
Electrical Equipment	10	25.89%	-	1.33	-	1.33	-	0.20	0.13	0.07	1.26	-
Air Conditioner	10	25.89%	55.68	3.25	1.91	57.02	1.54	14.76	0.41	15.89	41.13	54.14
Temporary Partition	10	25.89%	15.00	3.10	-	18.10	0.25	4.44	-	4.69	13.41	14.75
Vehicles	8	31.23%	0.68	13.66	0.68	13.66	0.02	2.87	0.17	2.72	10.94	0.66
CCTV camera	5	45.07%	1.33	0.20	-	1.53	0.06	0.65	-	0.71	0.82	1.27
<b>Subtotal</b>			<b>1,155.64</b>	<b>482.14</b>	<b>79.85</b>	<b>1,557.92</b>	<b>19.48</b>	<b>214.19</b>	<b>12.30</b>	<b>221.36</b>	<b>1,336.56</b>	<b>1,136.16</b>
<b>(ii) Capital Work in Progress</b>												
<b>WIP</b>			-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>			-	-	-	-	-	-	-	-	-	-
<b>(iii) Intangible Assets</b>												
Computer Software	3	63.16%	-	3.04	-	3.04	-	1.44	-	1.44	1.60	-
Licence & goodwill			-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>			-	<b>3.04</b>	-	<b>3.04</b>	-	<b>1.44</b>	-	<b>1.44</b>	<b>1.60</b>	-
<b>Total</b>			<b>1,155.64</b>	<b>485.18</b>	<b>79.85</b>	<b>1,560.96</b>	<b>19.48</b>	<b>215.62</b>	<b>12.30</b>	<b>222.80</b>	<b>1,338.16</b>	<b>1,136.16</b>

From March 22, 2023 to March 31, 2024

(₹ in Lakhs)

Particulars	Useful Life	Rate	Gross Block				Depreciation				Net Block	
	(In Years)	31/03/2023	Assets Acquired from Proprietorship firm at 21.02.2023	Additions during the year	Subsidy adjustment/ Deletion during the year	As at 31/03/2023	As at 21/02/2023	Total Depreciation During the period	Deletion During the year	Total Up to 31/03/2023	As at 31/03/2023	As at 21/02/2023
<b>(i) Tangible Assets</b>												
Land (Bhiwadi Factory)	50	10%	-	-	-	-	-	-	-	-	-	-
Plant, Machinery, Equipment & Utility	15	18.10%	581.41	0.19	-	581.60	-	11.24	-	11.24	570.36	581.41
Computer Peripheral	3	63.16%	-	2.99	-	2.99	-	0.09	-	0.09	2.90	-
Building Fire fitt. Fixture	10	25.89%	17.50	0.09	-	17.59	-	0.49	-	0.49	17.10	17.50
Furniture & Elec. fitting	10	25.89%	48.22	1.84	-	50.06	-	1.34	-	1.34	48.72	48.22
Office Equipment's	5	45.07%	2.10	-	-	2.10	-	0.10	-	0.10	2.00	2.10
Factory Building	30	9.50%	426.30	2.30	-	428.60	-	4.33	-	4.33	424.27	426.30
Electrical Equipment	10	25.89%	-	-	-	-	-	-	-	-	-	-
Air Conditioner	10	25.89%	55.68	-	-	55.68	-	1.54	-	1.54	54.14	55.68
Temporary Partition	10	25.89%	8.89	6.11	-	15.00	-	0.25	-	0.25	14.75	8.89
Vehicles	8	31.23%	0.68	-	-	0.68	-	0.02	-	0.02	0.66	0.68
CCTV camera	5	45.07%	1.33	-	-	1.33	-	0.06	-	0.06	1.27	1.33
<b>Subtotal</b>			<b>1,142.11</b>	<b>13.53</b>	<b>-</b>	<b>1,155.64</b>	<b>-</b>	<b>19.48</b>	<b>-</b>	<b>19.48</b>	<b>1,136.16</b>	<b>1,142.11</b>
<b>(ii) Capital Work in Progress</b>												
<b>WIP</b>			-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>			-	-	-	-	-	-	-	-	-	-
<b>(iii) Intangible Assets</b>												
Computer Software	6	39.30%	-	-	-	-	-	-	-	-	-	-
Licence & goodwill			-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>			-	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>1,142.11</b>	<b>13.53</b>	<b>-</b>	<b>1,155.64</b>	<b>-</b>	<b>19.48</b>	<b>-</b>	<b>19.48</b>	<b>1,136.16</b>	<b>1,142.11</b>

**NOTE – J**  
**RESTATED STATEMENT OF NON-CURRENT INVESTMENT**

(₹. in Lakhs &amp; Shares in No.)

Particulars	No. of Shares	March 31, 2024	No. of Shares	March 31, 2023
<b>Investment</b>				
- Equity of Infopower Technologies Private Limited	1,03,872	11.00	1,03,872	11.00
- Equity of Sahasra Semiconductors Private Limited	94,80,000	948.00	64,80,000	648.00
<b>Total (Shares In No. &amp; amount in lacs)</b>		<b>959.00</b>		<b>659.00</b>

**NOTE – K**  
**RESTATED STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Unsecured, Considered Good unless otherwise stated</b>		
-Capital Advance	134.08	-
<b>Total</b>	<b>134.08</b>	<b>-</b>

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**NOTE – L**  
**RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Security Deposits</b>		
-Security Deposit	32.33	5.53
-MAT Credit entitlement	453.64	17.27
<b>Total</b>	<b>485.97</b>	<b>22.80</b>

**NOTE – M**  
**RESTATED STATEMENT OF TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Trade Receivables</b>		
<b>Unsecured Considered good</b>		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	456.32	-
Dues From Directors, Related parties/Common Group Company, etc	1121.95	1100.30
Others	1078.42	664.44
<b>Sub Total (A)</b>	<b>2,656.69</b>	<b>1,764.74</b>
<b>Secured Considered good</b>		
Outstanding for a period not exceeding 6 months (Secured and considered Good)	-	-
Dues From Related parties/ Common Group Company, etc	-	-
Others	-	-
<b>Sub Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2,656.69</b>	<b>1,764.74</b>

Trade Receivables ageing schedule as at March 31, 2024

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	2,095.25	280.57	280.87	-	-	2,656.69
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Sub total</b>	<b>2,095.25</b>	<b>280.57</b>	<b>280.87</b>	<b>-</b>	<b>-</b>	<b>2,656.69</b>
Undue - considered good	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undue - considered doubtful	-	-	-	-	-	-
Provision for doubtful debts	-	-	-	-	-	-
<b>Total</b>	<b>2,095.25</b>	<b>280.57</b>	<b>280.87</b>	-	-	<b>2,656.69</b>

Trade Receivables ageing schedule as at March 31, 2023

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	1,764.74	-	-	-	-	1,764.74
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Sub total	<b>1,764.74</b>	-	-	-	-	<b>1,764.74</b>
Undue - considered good	-	-	-	-	-	-
Undue - considered doubtful	-	-	-	-	-	-
Provision for doubtful debts	-	-	-	-	-	-
<b>Total</b>	<b>1,764.74</b>	-	-	-	-	<b>1,764.74</b>

**NOTE – N**  
**RESTATED STATEMENT OF CASH & CASH EQUIVALENTS**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>a. Balances with Banks in Current Accounts</b>		
-Canara Bank - Current a/c	-	85.43
-Canara Bank - EEFC \$ a/c	-	10.63
-HDFC Bank - Current a/c	609.40	6.10
-HDFC Bank - EEFC \$ a/c		82.50
<b>b. Cash on Hand</b>	0.68	1.11
<b>c. Fixed Deposits</b>		
-Fixed Deposit	1,100.00	130.83
<b>Total</b>	<b>1,710.08</b>	<b>316.60</b>

**NOTE – O**  
**RESTATED STATEMENT OF INVENTORIES**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Stock of Raw Material and Stock in Trade</b>		
Raw Material	1,605.61	522.80
Work-in- Progress (WIP)	173.77	-
Consumables	13.48	7.59
Finished Goods	308.15	268.73
Packaging Material	7.20	2.57
Stock in Transit	-	-
<b>Total</b>	<b>2,108.21</b>	<b>801.69</b>

**NOTE – P**  
**RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Unsecured, Considered Good unless otherwise stated</b>		
-Advance /Imprest	232.09	8.10
-Other Loans & Advances	1,125.00	51.95
-Advance Tax	-	-
- MAT Credit	-	-

Particulars	As at	
	March 31, 2024	March 31, 2023
-TCS Receivable	-	-
-TDS Receivable	-	-
<b>Total</b>	<b>1,357.09</b>	<b>60.05</b>

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**NOTE – Q**  
**RESTATED STATEMENT OF OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
-Prepaid Expenses	3.04	2.74
-Balances with Government Authorities	13.85	3.05
-Money receivable against share subscription	-	22.38
-Interest Receivable	19.94	17.19
<b>Total</b>	<b>36.83</b>	<b>45.35</b>

**NOTE – R**  
**RESTATED STATEMENT OF REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
<b>(a) Revenue from Operations</b>		
-Sale of Products	10,114.69	1,043.10
(1) Export Sales	8,503.97	1,015.84
(2) Local Sales	1,671.63	28.99
Less: Rebate & Discount	60.91	1.73
<b>(b) Other Operating Revenue</b>		
-Scrap Sales	0.58	-
-Freight & Insurance	-	-
-MEIS on export received	-	-
<b>Total</b>	<b>10,115.27</b>	<b>1,043.10</b>

**NOTE – S**  
**RESTATED STATEMENT OF OTHER INCOME**

(₹ in Lakhs)

Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
<b>Related and Recurring Income:</b>		
-Rebate & Discount	1.88	-
-Misc. Income	1.89	-
-Short Term capital gain	-	-
<b>Related and Non-Recurring Income:</b>		
-Foreign Currency Transaction gain	125.45	16.89
-ABRY Benefit of EPF	-	-
-Bal written off	6.66	-
-Interest earned	27.64	3.92
-MEIS Licence Sale	-	-
<b>Total</b>	<b>163.52</b>	<b>20.81</b>

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

**NOTE – T**  
**RESTATED STATEMENT OF COST OF MATERIAL CONSUMED**

(₹ in Lakhs)

Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
Opening Stock of Raw Material	522.80	-
Purchase of Raw Materials & Components	6,499.78	1,499.43



Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
Less :Closing Stock of Raw Material	1,599.28	522.80
<b>Cost of Raw Material Consumed</b>	<b>5,423.30</b>	<b>976.63</b>
Opening Stock of Packaging Material	2.57	-
Purchase of Packaging Materials	28.87	9.64
Less :Closing Stock of Packaging Material	7.20	2.57
<b>Cost of Packaging Material Consumed</b>	<b>24.24</b>	<b>7.07</b>
Opening Stock of Consumable Material	7.59	-
Purchase of Consumable Materials	76.28	13.27
Less :Closing Stock of Consumable Material	7.87	7.59
<b>Cost of Consumable Material Consumed</b>	<b>76.00</b>	<b>5.68</b>
Total Cost of Material Consumed	5,523.54	989.38

## NOTE – U

## RESTATED STATEMENT OF CHANGE IN INVENTORIES of WORK IN PROGRESS AND FINISHED GOODS

(₹ in Lakhs)

Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
Opening Balance of Raw Material, Finished Goods and Components		
(i) Finished Goods	308.15	268.73
(ii) Work-in-Progress	173.77	-
(iii) Consumables	-	-
<b>Total</b>	<b>481.92</b>	<b>268.73</b>
Less Closing Balance of Raw Material, Finished Goods and Components		
(i) Finished Goods	268.73	-
(ii) Work-in-Progress	-	-
(iii) Consumables	-	-
<b>Total</b>	<b>268.73</b>	<b>-</b>
<b>Increase/(Decrease) in Stock</b>	<b>(213.19)</b>	<b>(268.73)</b>

## NOTE – V

## RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
Salaries and wages		
-Directors remuneration	294.00	-
-Employee's Salary Expenses	501.80	47.50
-Contract Labour Charges	5.67	-
-Statutory bonus	-	-
-Staff Welfare Expenses	6.97	0.66
Contribution to provident and other funds		
-EPF	37.80	2.95
-ESIC	6.96	0.66
-Other	4.68	-
-Gratuity	7.06	(0.09)
-Leave Encashment	21.28	0.83
<b>Total</b>	<b>886.22</b>	<b>52.51</b>

## NOTE – W

## RESTATED STATEMENT OF FINANCE COST

(₹ in Lakhs)

Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
<b>Interest expense</b>		
-PCFC Charges	66.99	8.18
-Interest on Term Loan from Bank	-	-
-Interest on Unsecured loan from Related party	-	-
Other borrowing costs		
-Loan Processing Cost/Bank charges	-	-

Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
-Bank charges	40.89	0.39
<b>Total</b>	<b>107.88</b>	<b>8.57</b>

**NOTE – X**  
**RESTATED STATEMENT OF OTHER EXPENSES**

(₹ in Lakhs)

Particulars	For the Year ended	
	March 31, 2024	March 31, 2023
Audit Fees	1.75	0.25
Rates & taxes	1.13	0.18
Corporate & other ROC fees	0.88	
Power and fuel	50.19	3.55
<b>Rent</b>		
-Rent	3.76	0.21
<b>Repair and Maintenance</b>		
-Repair & Maintenance - P&M	8.06	0.27
-Repair and Maintenance - Building	29.2	-
-Repair & Maintenance - Other	0.56	0.84
-Annual maintenance	0.64	-
<b>Transport Charges</b>		
-Transport Charges	0.35	0.32
<b>Testing Charges</b>		
-Testing Charges	0.44	-
<b>Insurance</b>		
-Insurance	5.77	0.36
<b>Selling &amp; Distribution Expenses</b>		
-Business Promotion Expenses	3.27	0.19
<b>Other Expenses</b>		
-Professional Fee	9.69	-
-Security Charges	8.77	0.75
-Travelling & Conveyance Expenses	5.93	0.67
- Commission & Incentive - Sales Channel	102.2	
- Certification/depository/ grant fee etc.	1.27	
-Freight & Cartage Inward		
-Fee - Independent Director	0.92	
-Telephone Expenses	0.37	0.02
- Pollution Charges	1.50	-
- Postage Charges	0	
- Balance written off	1.88	0.28
-Membership fee	0.57	
-Misc. Expenses	0.60	2.00
- Festival Expenses	1.64	
-Rebate & Discount	0	-
-Custom Clearence inward	17.57	2.96
-Custom Clearence Outward	4.74	0.65
-Freight Outward Charges	37.38	9.47
-Interest on DT/IDT/TDS	5.39	-
-Interest on MSME dues	18.4	
-Research & Development	7.86	
-Tolls & other misc	5.49	
-Training & Certification	6.66	0.15
-Printing And Stationery	4.02	0.20
-Weight & Measurement & Warehouse chrg.	2.09	-
-Loss on sale of assets	0.29	-
<b>Total</b>	<b>351.23</b>	<b>23.32</b>

**NOTE – Y**  
**RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS**

**AA RELATED PARTY DISCLOSURE****(A) List of Related parties**

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
<b>(a)</b>	<b>List of Related parties</b>	
1	Mr. Amrit Lal Manwani	Chairman & Managing Director
2	Varsha BP Manwani	Managing Director's Wife
3	Mr. Varun Manwani	Director
4	Mrs. Arunima Manwani	Director's Wife (Appointed as Director w.e.f 22nd February, 2023)
<b>(b)</b>	<b>Entity</b>	
4	Sahasra Electronics Private Limited	Chairman & Managing Directors is CMD here
5	Sahasra Semiconductors Private Limited	Chairman & Managing Directors is Director here
6	Infopower Technologies Private Limited	Director Is one of the Director here
7	Sahasra Electronics Rwanda Private Limited	Director Is one of the Director here
8	Sahasra Electronics	Sole Proprietorship of one Director
9	Optima Technology INC	Chairman & Managing Director Is one of the Director here
10	Megma RFID & Labels Private Limited	Chairman & Managing Director Is one of the Director here

**(B) TRANSACTION WITH RELATED PARTIES :-**

(₹ in lakhs)

Particulars	For the period March 31, 2024	For the Period March 31, 2023
<b>Remuneration Paid to Related Party</b>		
Amrit Lal Manwani	175.00	-
Varun Manwani	91.00	-
Arunima Manwani	28.00	-
Pradeep Kumar (sitting fees)	0.92	
<b>Share Allotted</b>		
Amrit Lal Manwani	-	1796.45
Varun Manwani		0.12
Arunima Manwani		0.12
Money received against share allotment/Purchase consideration	22.38	1774.32
<b>Export Sales &amp; Domestic Sales</b>		
Optima Technology Associates Inc	5,603.89	881.12
Sahasra Electronics	431.79	6.14
Sahasra Electronics Rwanda Private Limited	336.63	-
Megma RFID & Labels Private Limited	136.25	-
<b>Purchase &amp; Import of Raw Material</b>		
Optima Technology Associates Inc	408.98	98.62
Infopower Technologies Private Limited	315.30	109.12
Sahasra Electronics	214.18	
Sahasra Electronics Private Limited	573.50	
Sahasra Semiconductors Private Limited	18.38	
<b>Interest Paid , Received &amp; re-imburement</b>		
Sahasra Electronics	0.35	9.43
Infopower Technologies Private Limited	0.32	0.32
Sahasra Electronics Private Limited	491.50	31.36
Sahasra Semiconductors Private Limited	14.22	2.08
Megma RFID & Labels Private Limited	2.94	-
Varsha BP Manwani (Rent)	1.80	
<b>Loan Given</b>		

Particulars	For the period March 31, 2024	For the Period March 31, 2023
Sahasra Semiconductors Private Limited	1,125.00	-
Amrit Lal Manwani (Repaid)	330.00	258.00
<b>Loan Taken</b>		
Amrit Lal Manwani	410.00	-

Details of Balance Outstanding of related parties as at :

(₹ in lakhs)

Name	Relation	Particulars	Outstanding Balance	
			March 31, 2024	March 31, 2023
Mr. Amrit Manwani	KMP	Current Liabilities	411.31	331.31
Mrs. Arunima Manwani	KMP	Current Liabilities	2.00	-
Mr. Varun Manwani	KMP	Current Liabilities	6.50	-
Optima Tech Associates Inc	Significant Influence	Trade Receivables	759.36	1028.17
		Trade Payables	33.45	933.02
Infopower Technologies Private Limited	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence / Group Companies	Trade Payables	60.17	1506.03
		Non-Current Investment	11.00	11.00
Sahasra Electronics (Rwanda) Private Limited	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence / Group Companies Wholly owned subsidiary	Trade Receivables	246.00	65.99
Sahasra Electronics	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence	Trade Receivables	7.58	6.14
		Trade Payable	-	0.35
Sahasra Semiconductors Private Limited	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence	Investment	948.00	648.00
		Trade Payable	3.09	-
		Current Asset	14.22	-
		Loan	1125.00	-
Megma RFID & Labels Private Limited -NSEZ	Significant Influence	Trade Receivable	109.03	-
Sahasra Electronics Private Limited	Significant Influence	Trade Payable	311.65	-

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

#### NOTE - Z

#### RESTATED STATEMENT OF TAX SHELTER

(₹ In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Restated profit before tax as per books (A)	3,419.79	239.38
<b>Tax Rates</b>		
Income Tax Rate (%)	25.00%	25.00%
Minimum Alternative Tax Rate (%)	15.00%	15.00%
Surcharge	12.00%	7.00%
<b>Adjustments : (B)</b>		
Income Considered Separately	-	-
Disallowed	(27.64)	(3.92)
Disallowed Gratuity and Leave Encashment	23.18	18.29
Leave Encashment Paid	22.39	0.74
<b>Timing Difference</b>		
Book Depreciation	203.32	19.48
Income Tax Depreciation allowed	212.61	10.60
<b>Total Timing Difference (C)</b>	<b>(9.29)</b>	<b>8.88</b>

Particulars	As at March 31, 2024	As at March 31, 2023
Net Adjustment D= (B+C)	8.64	23.99
Tax Expenses as per Signed FS	-	-
Income from Capital Gains (E)	-	-
Income from Other Sources (F)	27.64	3.92
Deduction under chapter VI (G)	-	-
Brought Forward Losses set off (H)	-	-
<b>Taxable Income/(Loss) (A+D+E+F+G-H)</b>	<b>3,456.07</b>	<b>267.29</b>
Less: Exception u/s 10AA (I)	2,876.87	180.03
<b>Taxable Income/(Loss) (A+D+E+F+G-H-I)</b>	<b>579.20</b>	<b>87.25</b>
Income Tax on Above -A	144.80	21.81
SC @ 10%/ 7%	10.14	-
Health & ED cess 4%	6.20	0.87
<b>Tax Payable</b>	<b>597.51</b>	<b>39.96</b>
MAT on Book Profit -B	512.97	35.91
Surcharge	61.56	2.51
Health & ED cess 4%	22.98	1.54

## NOTE – ZA

## CAPITALISATION STATEMENT

(₹ in Lakhs)

Particulars	Pre-Issue as at March 31, 2024	Post-Issue
<b>Borrowings</b>		
Short term debt (A)	2,171.89	*
Long Term Debt (B)	0.00	*
<b>Total debts (C)</b>	<b>2,171.89</b>	<b>*</b>
<b>Shareholders' funds</b>		
Equity share capital	1,891.48	*
Reserve and surplus - as restated	4,140.21	*
<b>Total shareholders' funds</b>	<b>6,031.68</b>	<b>*</b>
<b>Long term debt / shareholders' funds (in ₹)</b>	<b>0.00</b>	<b>*</b>
<b>Total debt / shareholders' funds (in ₹)</b>	<b>0.36</b>	<b>*</b>

\*The Corresponding post issue figure are not determinable at this stage, due to pendency of public issue, hence not furnished.

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and includes instalment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above excluding instalment of term loans repayable within 12 months grouped under short term borrowings
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.03.2024.

## NOTE – ZB

## RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS

(₹ in Lakhs Except Per Share Data)

Particulars	As at	
	March 31, 2024	March 31, 2023
Net Worth (A)	6,031.68	2,027.50
Adjusted Profit after Tax (B)	3262.77	230.55
Number of Equity Share as on the End of Year (C)	1,89,14,763	1,79,69,500
Based on weighted average number of shares (D)	18,074,023	17,745,781
Face Value per Share	10	10
Restated Basic and Diluted Earnings Per Share (₹) (B/D)	18.05	1.30
Return on Net worth (%) (B/A)	54.09%	11.37%

Particulars	As at	
	March 31, 2024	March 31, 2023
Net asset value per share (A/C) (Face Value of ₹ 10 Each) (Based on Actual Number of Shares)	31.89	11.28
Net asset value per share (A/C) (Face Value of ₹ 10 Each) (Based on Weighted Average Number of Shares)	33.37	11.43
<b>EBITDA</b>	<b>3,526.58</b>	<b>246.23</b>

Note:

- The ratios have been computed as below:
  - Basic earnings per share (₹): Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the year.
  - Diluted earnings per share (₹): Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the year for diluted EPS.
  - Return on net worth (%): Net profit after tax (as restated) / Net worth at the end of the year.
  - Net assets value per share: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the year.
- While computing weighted average number of shares, the amount paid up on the shares have been considered.
- Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus ( including, Securities Premium, General Reserve and surplus in statement of profit and loss)-Preliminary Expenses.
- The figures disclosed above are based on the restated summary statements of the Company.
- EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income.

		Mar-24	Mar-23
Current Ratio	<u>Current Assets</u>	7,868.90	2,988.43
	<u>Current Liabilities</u>	4,736.72	2,766.62
		1.66	1.08
Debt-Equity Ratio	<u>Total Debts</u>	2,171.89	689.84
	<u>Equity</u>	6,031.68	2,027.50
		0.36	0.34
Debt Service Coverage Ratio	<u>Earning available for Debt Service</u>	3,573.97	258.60
	<u>Interest + Installments</u>	66.99	8.18
		53.35	31.61
Return on Equity Ratio	<u>Profit after Tax</u>	3,262.77	230.55
	<u>Average Shareholder's Equity</u>	4,029.59	2,037.43
		80.97%	11.32%
Inventory Turnover Ratio	<u>Cost of material consumed</u>	5,523.54	989.38
	<u>Average Inventories</u>	1,454.95	829.49
		3.80	1.19
Trade Receivables turnover ratio (in times)	<u>Total Turnover</u>	10,115.27	1,043.10
	<u>Average Account Receivable</u>	2,210.72	1,739.66
		4.58	0.60
Trade Payable Turnover ratio (in times)	<u>Total Purchases</u>	6,604.93	1,522.34
	<u>Average Account Payable</u>	1,524.27	1,264.63
		4.33	1.20
Net capital turnover ratio (in times)	<u>Total Turnover</u>	10,115.27	1,043.10
	<u>Net Working Capital</u>	3,132.18	221.81
		3.23	4.70
Net profit ratio	<u>Net Profit</u>	3,262.77	230.55
	<u>Total Turnover</u>	10,115.27	1,043.10
		32.26%	22.10%
Return on Capital employed	<u>EBIT</u>	3,486.78	247.56
	<u>Capital Employed</u>	8,203.57	2,717.34
		42.50%	9.11%

		Mar-24	Mar-23
	<u>Net Profit</u>	<u>3,262.77</u>	<u>230.55</u>
Return on total Assets	Total Investment	10,804.36	4,820.48
		30.20%	4.78%

**Additional Information to the financial statements:****NOTE NO. ZC Other Disclosures as per Schedule-III of the Companies Act, 2013****ZC1. Value of imports calculated on C.I.F basis by the company during the financial year in respect of***(₹ in Lakhs)*

Particulars		As at	
		March 31, 2024	March 31, 2023
(a)	Raw materials	4,988.87	536.07
(b)	Plant & Machinery/ Equipments	391.50	-

**ZC2. Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;***(₹ in Lakhs)*

Particulars		As at	
		March 31, 2024	March 31, 2023
(a)	Travelling Expenses	0.70	Nil
(b)	Other	105.70	Nil

**ZC3 Total value of all imported and Indigenous raw materials, spare parts and components consumed during the financial year and the total value of all raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption***(₹ in Lakhs)*

S. No.	Details of consumption of Raw Material & Consumables*	As at	
		March 31, 2024	March 31, 2023
(i)	Imported Raw materials	3,884.55	646.55
(ii)	Indigenous Raw materials	1,638.97	15.24

(\*) Note 1: The stores and spares consumed are 100% indigenous.

**ZC4 Earnings in foreign exchange***(₹ in Lakhs)*

S. No.	Particulars	As at	
		March 31, 2024	March 31, 2023
(a)	Export of goods calculated on FOB basis	8503.97	1015.84

**ZC5 Amounts remitted in foreign currency during the year on account of dividend***(₹ in Lakhs)*

S. No.	Particulars	As at	
		March 31, 2024	March 31, 2023
(a)	Amount of dividend remitted in foreign currency	Nil	Nil

**NOTE NO. ZD: Other Disclosures****ZD1 Disclosures related to Micro, Small and Medium Enterprises.**

The Company has made payments of dues to Micro, Small and Medium enterprises generally within stipulated period of 45 days as prescribed under Micro, small and Medium Enterprises Development Act.

The details relating to Micro, Small and medium enterprise disclosed as under :

*(₹ in Lakhs)*

S. No.	Particulars	March 31, 2024	March 31, 2023
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	220.96	386.53
2	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier	18.40	-

S. No.	Particulars	March 31, 2024	March 31, 2023
	beyond the appointed day during each accounting year;		
3	The amount of interest due and payable for the period of delay in making payment (which has 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;	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
5	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.	-	-

**ZD2 Leases**

(₹ in Lakhs)

S. No.	Particular	March 31, 2024	March 31, 2023
(a)	Future minimum rentals payable under non- cancellable operating Lease		
	- Not later than one Year	-	-
	- Later than one Year and not later than five years	-	-
(b)	Lease payments recognized in the Statement of profit and loss for the period, with separate amount	-	-

**ZD3 Foreign Exchange exposure as on year-end are as under:**

(₹ in Lakhs)

S. No.	Particulars	March 31, 2024	March 31, 2023
(a)	Amount Receivable	\$28,49,410	\$19,94,162
(b)	Advance received for supply of goods	\$51,208	-

**ZD4 Corporate Social Responsibility (CSR)**

As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as specified in Schedule VII of the Companies Act, 2013. As the company's profits have exceeded the prescribed limit specified under section 135 of the Company Act, 2013 during preceding year for FY 2024, which will be spent during the FY2024-25.

**ZD5 Accounting Ratios**

SN	Particulars	As at 31 Mar 2024	As at 31 Mar 2023
1	Current Ratio	1.66	1.08
2	Debt-Equity Ratio	0.36	0.34
3	Debt Service Coverage Ratio	53.35	31.61
4	Return on Equity Ratio	80.97%	11.32%
5	Trade Receivables turnover ratio (in times)	4.58	0.60
6	Net capital turnover ratio (in times)	3.23	4.70
7	Net profit ratio	32.26%	22.10%
8	Inventory Turnover Ratio	3.80	1.19
9	Return on Capital employed	42.50%	9.11%
	Return on total Assets	30.20%	4.78%

**Additional Regulatory Information**

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

(a) Title deeds (lease Deed) of Immovable property in the name of the company

(b) Fair Value of Investment Property - The Company does not have any Investment property.

(c) Details of Benami Property held

The company does not have any Benami Property, where any proceeding has 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.



- (d) Borrowings from banks or financial institutions on the basis of security of current assets  
The Company has availed borrowing from bank or financial institutions on the basis of security of current assets.
- (e) Willful Defaulter  
The Company has not been declared as willful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.
- (f) Relationship with Struck off Companies  
The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act,1956.
- (g) Registration of charges or satisfaction thereof with Registrar of Companies  
There is no charges or satisfaction thereof yet to be registered with Registrar of Companies beyond the statutory period as on the date of Balance Sheet
- (h) Compliance with Number of layers of companies  
There is no non-compliance of provisions regarding the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (i) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entitles intermediaries with the undemanding that the intermediary shall -  
(1) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company Ultimate Beneficiaries.  
(2) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (j) The Company has not received any funds from any person or entities including foreign entitles (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;  
(1) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or  
(2) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (k) Undisclosed  
The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under The Income Tax Act, 1961 (such as, search or surveyor any other relevant provisions of the Income Tax Act, 1961).
- (l) Details of Crypto Currency or Virtual Currency  
The Company has not traded or invested In Crypto currency or Virtual Currency during the mentioned period.
- (m) Compliance with approved scheme(s) of arrangements  
During the year, no scheme of arrangement has been approved by the competent authority in terms of section 230 to 237 of the companies Act, 2013 hence no further disclosure is required.
- (n) Corporate Social Responsibility (CSR)  
The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company during the year.

**NOTE – ZE**

**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITY**

(₹ in Lakhs)

Particulars	As at	
	March 31, 2024	March 31, 2023
Contingent liabilities in respect of:		
Claims against the company not acknowledged as debts	7.14	7.14
Guarantees given on Behalf of the Company	3250.00	-
Other commitments	1206.67	-
<b>Total</b>	<b>4,463.81</b>	<b>7.14</b>

**RESTATED FINANCIAL STATEMENTS OF THE ERSTWHILE PROPRIETORSHIP**

**INDEPENDENT AUDITOR'S REPORT ON RESTATED FINANCIAL INFORMATION**

To,  
The Board of Directors,  
Sahasra Electronic Solutions Limited,  
33, Pocket 1, Jasola Vihar,  
New Friends Colony, South Delhi,  
New Delhi, India, 110025

Dear Sirs,

1. We have examined the attached Restated Financial Statements of M/s. Sahasra Electronic Solutions a proprietorship firm of Mr. Amrit Lal Manwani, as taken over by Sahasra Electronics Solutions Limited w.e.f. 22nd February, 2023 as per Business Purchase Agreement), comprising the Restated Statement of Assets and Liabilities as at February 21, 2023 and as at March 31, 2022, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period February 21, 2023 and for the Fiscal year March 31, 2022, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 11.06.2024 for the purpose of inclusion in the Draft Red Herring Prospectus/Red Herring Prospectus/ Prospectus (Draft Offer Document/Offer Document) prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of:
  - d) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  - f) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Offer Document/ Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Delhi & Haryana in connection with the proposed SME IPO. The Restated Financial Information of the Company have been Prepared by the Management of the Company and approved by the Board of Directors on the basis of preparation stated in Annexure IV of the Restated Financial Information. Our responsibility is to examine the Restated Financial Information and confirm whether such Restated Financial Information comply with the requirements of the Act, the Rules, SEBI-ICDR Regulations and the Guidance Note.
3. We, M/s Kapoor Tandon & Co., Chartered Accountants, been subject to peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid peer review certificate issued dated 05/01/2024 valid till 31/01/2027.
4. We have examined these Restated Financial Information taking into consideration;
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 24.05.2024 in connection with the proposed SME IPO of the Company.
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the SME IPO.
5. These Restated Financial Information have been compiled by the Management from the audited Financial Statements of the proprietorship concern namely. M/s Sahasra Electronic Solution for the period April 1, 2022 to February 21, 2023 and fiscal year March 31, 2022. The financial statements of the proprietorship concern for the period April 1, 2022 to February 21, 2023 and fiscal year March 31, 2022 has been audited by Jain Pramod Jain & Co., Chartered Accountant.
6. Based on our examination and according to the information and explanation given to us, we report that the Restated Financial Information have been prepared:

- (a) After incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively, if any to reflect the same accounting treatment as per the accounting policies and grouping/classifications; and
- (b) in accordance with the Act, ICDR Regulations and the Guidance Note.

7. For the purpose of our examination, we have relied on:

Auditors' reports and the audited financial statement of the proprietorship concern for the period April 1, 2022 to February 21, 2023 and fiscal year March 31, 2022 has been audited by Jain Pramod Jain & Co., Chartered Accountant as referred in Paragraph 5 above;

8. We have also examined the following Notes to the Restated financial information of the Company set out in the Annexure V, prepared by the management and approved by the Board of Directors on June 11, 2024 for the period April 1, 2022 to February 21, 2023 and fiscal year March 31, 2022.

Annexure V - Notes to the Restated Summary Financial Information;

- 1) Restated Statement of Share Capital, Reserves and Surplus as appearing in Note A to this report;
  - 2) Restated Statement of Long Term Borrowings as appearing in Note B to this report;
  - 3) Restated Statement of principal terms of Secured Loans and Assets charged as security as appearing in Note B(A) to this report;
  - 4) Restated Statement of terms & conditions of unsecured loans as appearing in Note B(B) to this report;
  - 5) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note C to this report;
  - 6) Restated Statement of Long Term Provisions as appearing in Note D to this report;
  - 7) Restated Statement of Short Term Borrowings as appearing in Note E to this report;
  - 8) Restated Statement of Trade Payables as appearing in Note F to this report;
  - 9) Restated Statement of Other Current Liabilities as appearing in Note G to this report
  - 10) Restated Statement of Short Term Provisions as appearing in Note H to this report;
  - 11) Restated Statement of Fixed Assets as appearing in Note I to this report;
  - 12) Restated Statement of Non-Current Investments as appearing in Note J to this report
  - 13) Restated Statement of Long term loans and advances as appearing in Note K to this report
  - 14) Restated Statement of Other Non-Current Assets as appearing in Note L to this report
  - 15) Restated Statement of Trade Receivables as appearing in Note M to this report;
  - 16) Restated Statement of Cash and Cash Equivalents as appearing in Note N to this report;
  - 17) Restated Statement of Inventories as appearing in Note O to this report;
  - 18) Restated Statement of Short term Loans and Advances as restated as appearing in Note P to this report;
  - 19) Restated Statement of Other Current Assets as appearing in Note Q to this report;
  - 20) Restated Statement of Revenue from Operations as appearing in Note R to this report;
  - 21) Restated Statement of Other Income as appearing in Note S to this report;
  - 22) Restated Statement of Cost of Material Consumed as appearing in Note T to this report;
  - 23) Restated Statement of Change in Inventories of Work in progress and finished goods as appearing in Note U to this report;
  - 24) Restated Statement of Employee Benefit Expenses as appearing in Note V to this report;
  - 25) Restated Statement of Finance Cost as appearing in Note W to this report;
  - 26) Restated Statement of Other Expenses as appearing in Note X to this report;
  - 27) Restated Statement of Related Party Transactions as appearing in Note Y to this report;
  - 28) Restated Statement of Tax Shelter as appearing in Note Z to this report;
  - 29) Capitalization Statement as appearing in Note ZA to this report;
  - 30) Restated Statement of Mandatory Accounting Ratios as appearing in Note ZB to this report;
  - 31) Restated Statement of Other Disclosures as per Schedule-III of the Companies Act 2013 as appearing in Note ZC to this report;
  - 32) Restated Statement of Other Disclosures as appearing in Note ZD to this report;
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 7 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Offer Document/Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Delhi & Haryana

in connection with the proposed SME IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

13. In our opinion, the above financial information contained in Annexure I to Annexure III of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

**For M/S Kapoor Tandon & Co.**

Chartered Accountants

Firm Registration No. -000952C

Peer Review No.: 016174

Sd/-

Devendra S. Mathur

(Partner)

Membership No.: - 082570

Place: - New Delhi

Date.: June 11, 2024

UDIN – 24082570BKHVVA4780

**ANNEXURE – I****RESTATED STATEMENT OF ASSETS AND LIABILITIES***(₹ in Lakhs)*

Particulars		Note	As at the period/year ended	
			February 21, 2023	March 31, 2022
A)	<b>EQUITY AND LIABILITIES</b>			
1.	<b>Shareholders' Funds</b>	<b>A</b>		
(a)	Share Capital		-	-
(b)	Reserves & Surplus		-	-
(c)	Share Application Money		-	-
(d)	Proprietor's Fund	<b>A</b>	2,435.06	1,521.57
	<b>Total</b>		<b>2,435.06</b>	<b>1,521.57</b>
2.	<b>Non-Current Liabilities</b>			
(a)	Long Term Borrowings	<b>B</b>	-	-
(b)	Deferred Tax Liabilities (Net)	<b>C</b>	24.25	16.86
(d)	Long Term Provisions	<b>D</b>	26.89	1.65
	<b>Total</b>		<b>51.14</b>	<b>18.51</b>
3.	<b>Current Liabilities</b>			
(a)	Short Term Borrowings	<b>E</b>	798.60	30.96
(b)	Trade Payables	<b>F</b>		
	Due to Micro and small enterprises		245.73	9.97
	Due to Others		991.25	444.98
(c)	Other Current Liabilities	<b>G</b>	381.27	70.94
(d)	Short Term Provisions	<b>H</b>	270.47	88.46
	<b>Total</b>		<b>2,687.32</b>	<b>645.31</b>
	<b>Total</b>		<b>5,173.52</b>	<b>2,185.39</b>
B)	<b>ASSETS</b>			
1.	<b>Non-Current Assets</b>			
(a)	Property, Plant and Equipment and Intangible Assets	<b>I</b>		
	i) Property, Plant and Equipment		1,278.17	879.92
	ii) Intangible Assets		-	-
	iii) Capital Work in progress		-	-
(b)	Non-Current Investment	<b>J</b>	659.00	11.00
(c)	Deferred Tax Assets (Net)	<b>C</b>	-	-
(d)	Long Term Loans and Advances	<b>K</b>	58.74	401.15
(e)	Other Non-Current Assets	<b>L</b>	392.81	80.78
	<b>Total</b>		<b>2,388.72</b>	<b>1,372.85</b>
2.	<b>Current Assets</b>			
(a)	Trade Receivables	<b>M</b>	1,714.58	459.89
(b)	Cash and Cash equivalents	<b>N</b>	178.34	47.44
(c)	Inventories	<b>O</b>	857.29	304.05
(d)	Short-Term Loans and Advances	<b>P</b>	16.64	0.12
(e)	Other Current Assets	<b>Q</b>	17.95	1.04
	<b>Total</b>		<b>2,784.80</b>	<b>812.54</b>
	<b>Total</b>		<b>5,173.52</b>	<b>2,185.39</b>

**ANNEXURE – II****RESTATED STATEMENT OF PROFIT AND LOSS****(₹ in Lakhs)**

Particulars		Note	For the period/year ended on	
			February 21, 2023	March 31, 2022
1	Revenue From operations	<b>R</b>	5,865.23	2,175.65
2	Other Income	<b>S</b>	137.69	37.15
3	<b>Total Revenue</b>		<b>6,002.92</b>	<b>2,212.80</b>
4	<b>Expenses</b>			
(a)	Cost of Material Consumed	<b>T</b>	3,443.46	1,633.82
(b)	Purchase of Stock in trade		-	-
(c)	Change of Inventories of Work in progress and finished goods	<b>U</b>	(214.08)	(64.12)
(d)	Employee Benefit Expenses	<b>V</b>	337.65	130.11
(e)	Finance Costs	<b>W</b>	44.39	17.35
(f)	Depreciation and Amortisation Expenses	<b>I</b>	177.52	161.56
(g)	Other Expenses	<b>X</b>	405.93	89.31
5	<b>Total Expenses</b>		<b>4,194.87</b>	<b>1,968.03</b>
6	<b>Profit/(Loss) Before Exceptional &amp; Extraordinary items &amp; Tax (3-5)</b>		1,808.05	244.77
7	Exceptional item		-	-
8	<b>Profit/(Loss) Before Extraordinary items &amp; Tax (6-7)</b>		<b>1,808.05</b>	<b>244.77</b>
9	Prior Period Expenses		-	-
10	Extraordinary items		-	-
11	<b>Profit/(Loss) Before Tax (8-9-10)</b>		<b>1,808.05</b>	<b>244.77</b>
12	<b>Tax Expense:</b>			
(a)	Current Tax		315.90	40.86
(b)	Deferred Tax		7.39	(9.87)
(c)	Previous year Tax		-	-
(d)	MAT Credit entitlements		(309.80)	(36.39)
(e)	Prior period expenses		-	-
(f)	Excess/ short provision written back/ off		-	-
	<b>Total</b>		<b>13.49</b>	<b>(5.40)</b>
13	<b>Profit/(Loss) for the Year</b>		1,794.56	250.17

**ANNEXURE – III****RESTATED STATEMENT OF CASH FLOW STATEMENT****(₹ in Lakhs)**

Particulars	For the period/ year ended on	
	February 21, 2023	March 31, 2022
<b>A) Cash Flow From Operating Activities :</b>		
<b>Net Profit before tax as per Statement of Profit &amp; Loss</b>	1,808.06	244.77
Adjustment for :		
Depreciation and amortization Expenses	177.52	161.56
Finance Cost	44.39	17.35
Interest Income	(4.15)	(1.35)
<b>Operating profit before working capital changes</b>	<b>2,025.82</b>	<b>422.33</b>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(1,254.69)	(272.47)
(Increase)/Decrease in Inventory	(553.24)	(171.85)
(Increase)/Decrease in Short Term Loans & Advances	(16.52)	14.92
(Increase)/Decrease in Other Current & Non-Current Assets	(16.91)	(1.04)
Increase/(Decrease) in Trade Payables	782.03	287.56
Increase/(Decrease) in Other Current Liabilities	310.33	(153.41)
Increase/(Decrease) in Short Term Provisions, etc	43.63	6.66
<b>Cash generated from operations</b>	<b>1320.45</b>	<b>132.70</b>
Less:- Income Taxes paid	152.29	7.33
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>1,168.16</b>
<b>B) Cash Flow From Investing Activities :</b>		
Purchase of Fixed Assets including of CWIP	(575.77)	(133.53)
Sale of property / Subsidy received	-	88.58
Loans and Advances given/ repayments received	342.41	(391.87)
Investment made during the period	(648.00)	-
Increase/(Decrease) in Non-Current Assets	(2.23)	0.20
Interest Income	4.15	1.35
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(879.44)</b>
<b>C) Cash Flow From Financing Activities :</b>		
Proceeds from Issue of Share Capital	(881.07)	573.60
Borrowings taken/ repaid during the period	767.64	(208.67)
Finance Cost	(44.39)	(17.35)
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>(157.82)</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>(A+B+C)</b>	<b>130.90</b>
Cash equivalents at the beginning of the year	47.44	9.76
<b>Cash equivalents at the end of the year</b>	<b>178.34</b>	<b>47.44</b>

Notes:-

**(₹ in Lakhs)**

	February 21, 2023	March 31, 2022
<b>Component of Cash and Cash equivalents</b>		
Cash on hand	0.48	1.00
Balance With banks	47.24	16.36
Fixed Deposits	130.62	30.08
<b>Total</b>	<b>178.34</b>	<b>47.44</b>

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement.

**ANNEXURE – IV**

**SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO RESTATED FINANCIAL STATEMENTS**

**COMPANY OVERVIEW**

The Company is engaged in manufacturing of Printed Circuit Boards, LED Lighting Products and USB Flash Storage Devices and also engaged in Training for Skill Development of Electrical & Electronics items. The Company has registered office at House No. - 33, Pocket-I, Jasola, New Delhi – 110025 and is having factory at Noida Special Economic Zone, Noida, Uttar Pradesh–201305.

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A) Basis of Preparation Of Financial Statement**

The Restated Financial Statements (Annexure I) comprises of financial statements of Sahasra Electronic Solutions as at February 21, 2023 and March 31, 2022 and the Restated Statement of Profit and Loss (Annexure II) and Restated Statements of Cash Flows (Annexure III) for the same period mentioned above and the annexure thereto (collectively, the “Restated Financial Statements”) have been extracted by the management from the audited Financial Statements of the proprietorship concern for the period/year February 21, 2023 and March 31, 2022.

These financial statements are prepared on a Going Concern Basis and in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

These financial statements are now restated as per requirements of Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“the SEBI ICDR Regulations”) and Guidance note on reports in Company Prospectus (Revised 2019) (“Guidance Note”) issued by the Institute of chartered Accountants of India (“ICAI”).

**B) Basis of Measurement**

The Restated Financial Statements have been prepared on accrual basis and under historical cost convention, except for certain financial assets and liabilities which are measured at fair value.

The Restated financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the period presented in the Restated financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The Functional and presentation currency of the company is Indian Rupees (“INR”) which is the currency of the primary economic environment in which the Company operates. Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as “(Zero)” in the relevant notes to Restated financial statements.

**C) Use of Estimates**

The preparation of Restated Financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance sheet date, reported amount of revenue and expenditure for the year /period and disclosures of contingent liabilities as at the Balance sheet date. The judgements, estimates and assumptions used in the accompanying Restated Financial statements are based upon the Management’s evaluation of the relevant facts and circumstances as at the date of the Restated Financial statements. Actual results could differ from these judgements, estimates and assumptions. Estimates and underlying assumptions are reviewed on a year basis. Revisions to accounting estimates, if any, are recognized in the year /period in which the estimates are revised and in any future years affected.



## Summary of Significant Accounting Policies

### A. Revenue recognition

Sales are recognized, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Revenue from rendering of services is recognized when the performance of agreed contractual task has been completed.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

### B. Property, plant and equipment's

Property, Plant & Equipment are stated at cost less accumulated depreciation. Cost of acquisition of such assets is inclusive of all incidental expenses incurred in bringing the assets to their working condition for the intended use.

The cost of a self-constructed item of property, plant and equipment are stated as per Cost Model i.e., at cost less depreciation and impairment, if any. Cost directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Subsequent expenditure relating to property, plant and equipment are capitalized or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and loss during the reporting year/period in which they are incurred.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment's and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

### C. Depreciation

Depreciation on Property, Plant & Equipment has been provided pro-rata to the period of use, on the written down value method, using rates determined based on management's assessment of useful economic lives of the asset at year end.

Following are the estimated useful life of various category of assets used evaluated at year end:

Asset Class	Life of the asset (in years)
Factory Buildings	30
Plant & Machinery	15
Furniture and fixtures	10
Building Fixtures	10
Electricals Equipment's& Fixtures	10
Computers (End user devices)	3
Air Conditioner	10
Office Equipment's	5
Vehicles – Car	8
Vehicles – Motor Bike	10
Temporary Partition	10

A Property, Plant & Equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of Property, Plant & Equipment which are carried at cost are recognized in the Statement of Profit and Loss.

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

#### **D. Intangible Assets**

Intangible Assets are amortized over a period of 3 years based on the estimated useful life as determined by the management. If the management's estimate of the useful life of an intangible asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, amortization is provided at a higher rate based on the management's estimate of the useful life/remaining useful life.

An intangible asset is derecognized on disposal or when no future economic benefit is expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets, and are recognized in the Statement of Profit and Loss.

#### **E. Impairment**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### **F. Inventories**

Inventories of Raw materials, Store and spare parts are valued at cost or Net Realisable value whichever is lower as per stocks taken by the management. Semi-finished and finished goods are valued at cost or Net Realisable value whichever is lower. Cost of raw material and stores and spare parts has been computed on the basis of Weighted average method. Cost of finished goods and semi-finished goods include Raw material cost and related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

#### **G. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized 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 charged to revenue.

#### **H. Employee Benefits**

- **Defined contribution plan**  
The employee's provident fund scheme is a defined contribution plan. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.
- **Defined benefit plan**  
The Company's gratuity plan and leave encashment benefits are defined benefit plans. The gratuity plan entitles an employee, who has rendered at least five years of continuous service, to receive one-half month's salary for each year of completed service. The gratuity plan of the Company is unfunded.

#### **I. Foreign Exchange Transactions**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

#### **J. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

## **K. Taxes on Income**

Tax expense for the year comprises of current tax and deferred tax. Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws.

Deferred Tax resulting from “timing differences” between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the Balance Sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

## **L. Provision, Contingent Liabilities and Contingent assets**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

## **M. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and term deposits with highly liquid investments.

## **N. Related Party Transactions**

Related parties as defined under Accounting Standard - 18 ‘Related Party Disclosures’ have been identified based on representations made by management and information available with the Company. All transactions with related parties are in the ordinary course of business and on arms' length basis.

## **O. Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies act, 2013, a company, meeting the applicability threshold, need to spend at least 2% of its average net profit for the immediately preceding three financial years on CSR activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, health care, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. The funds were primarily allocated to a project and utilized through the year on these activities which are specified in schedule VII of the Companies Act, 2013.

## **P. Earnings per share**

The Company reports basic and diluted earnings per equity share in accordance with AS-20, ‘Earnings per share’. Basic earnings per equity share is computed by dividing net profit / loss attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding at the year end, except where the results are anti-dilutive.

## **Q. Leases**

The company has taken machinery and factory on lease and classified as an Operating lease and lease rentals are recognized in profit of loss account as per lease terms.

## **R. Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments.

Long term investments are stated at cost. Provision for diminution in the value of investments is made only if such a decline, in the opinion of the management, is other than temporary.

## **S. Insurance Claim**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

**T. Government Grant / Subsidy**

Government Subsidy received in relation to purchase of Property, Plant & Equipment are adjusted with the cost of the identified assets.

Grants related to specific fixed assets are deducted from the gross value of the concerned assets in arriving at their book values.

**U. Segment Reporting**

The Company is exclusively engaged in the business of Manufacturing of populated printed Circuit boards assembly, LED Lighting Products and USB Flash Storage Devices. This, in the context of Accounting Standard (AS 17) Segment Reporting, issued by The Institute of Chartered Accountants of India, constitutes one single primary segment.

The Company is having revenue from its customer which are located outside India; of more than 10% of its total revenue.

Accordingly, as per As-17 Segment Reporting the company has identified geographic segment as its reportable segment.

Similarly, Assets of outside India is identifiable to the extent of Continent wise Outstanding Trade Receivable only.

Accordingly, we have disclosed geographic Segment Revenue and Segment Assets in table below for Domestic (India) and Export (Outside India): -

₹ In Lakhs

Particulars	Year ended 21 <sup>st</sup> February 2023	Year ended 31 <sup>st</sup> March, 2022
<b>Revenue Including Other Income</b>		
India	77.15	131.82
Outside India		
1. Africa	97.17	417.79
2. Asia	12.79	7.06
3. North America	5632.46	1612.18
4. South America	-	-
5. Europe	45.12	1.27
<b>Total</b>	<b>5864.69</b>	<b>2170.12</b>
<b>Carrying Amount of Segment Assets</b>		
India	91.04	-
Outside India	1623.54	459.90
1. Africa	116.03	320.39
2. Asia	-	-
3. North America	1507.52	139.51
4. South America	-	-
5. Europe	-	-
<b>Total</b>	<b>1714.58</b>	<b>459.90</b>

**V. Employee Benefits**

The Company has adopted Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The present Value of obligation of gratuity is determined based on actuarial valuation using the Projected unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment and long benefit award is also recognized in the same manner as gratuity.

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The disclosure as envisaged under the Accounting Standard is provided hereunder:

(Amount in ₹ Lakhs)

	Gratuity	
	21.02.2023	31.03.2022
<b>a) Change in Present Value of obligation</b>		
Defined Benefit obligation at beginning of the year	1.65	-
Current Service Cost	6.26	1.65
Interest Cost	0.10	-

	Gratuity	
	21.02.2023	31.03.2022
Past Service Cost	-	-
Actuarial (gain)/Loss	2.49	-
Benefit Paid	-	-
Defined Benefit obligation at year end	10.54	1.65
<b>b) Amount Recognized in Profit &amp; Loss Account</b>		
Current Service Cost	6.31	1.65
Past Service Cost		-
Interest Cost	0.10	-
Net Actuarial (Gain)/ Loss recognized in the period	2.49	-
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>8.89</b>	<b>1.65</b>
<b>C) Amount Recognized in Balance Sheet</b>		
Present Value of Obligation	10.54	1.65
Fair Value of Plan Assets	-	-
Effects Of Asset Ceiling	-	-
Net Asset/ (Liability)	(10.54)	(1.65)
<b>D) Actuarial Assumptions</b>		
Discounting Rate (per Annum)	7.45%	6.65%
Salary Growth rate (per Annum)	11%	10%
Expected rate of return on plan Assets (per Annum)	-	-
Mortality Table	-	100% of IALM 2012-14

## II. NOTES TO RESTATED SUMMARY STATEMENTS:

The financial statements for the year 31 March 2022, period February 21, 2023 respectively are prepared as per Schedule III of the Companies Act, 2013: -

- 1. Related party** transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note –Y of the enclosed financial statements.
- 2. Deferred Tax liability/Asset in view of Accounting Standard – 22:** “Accounting for Taxes on Income” have been provided in the Note –C of the enclosed financial statements.

### 3. Auditors' Remuneration:

(₹ in lakhs)

Particulars	February 21, 2023	March 31, 2022
a. As Auditors		
Statutory & Tax Audit Fees	0.27	0.30
<b>Total</b>	<b>0.27</b>	<b>0.30</b>

### 4. Earnings per Share:

(Amt. ₹ in Lakhs, except EPS)

Particulars	February 21, 2023	March 31, 2022
A. Total Number of equity shares outstanding at the end of the year (in lakhs)	17,969,500	17,969,500
B. Weighted average number of equity shares outstanding during the year (in lakhs)	17,745,781	17,745,781
C. Net profit after tax available for equity shareholders (excluding exceptional and extraordinary items) (as restated)	1,794.56	250.17
D. Basic and Diluted earnings per share (₹)(C/B)	10.11	1.41

5. Figures have been rearranged and regrouped wherever practicable and considered necessary.
6. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
7. The balances of trade payables, trade receivables, loans, and advances are unsecured and considered good and are subject to confirmations of the respective parties concerned.
8. Balances of trade receivables, short term/long term loans and advances and trade payables are subject to confirmation/ Reconciliation.
9. The company has utilized the borrowing received from banks for the purpose for which it was taken during the year.

10. The Company has not entered into any transaction with the Companies struck of U/S 248 of the Companies Act, 2013.
11. All benefits of Noida Special Economic Zone including Section 10AA of Income Tax act will be made available to the company from 22.02.2023 and onwards in pursuance of LOA letter no. 09/02/2005Proj/2794.
12. **Realizations:** In the opinion of the Board and to the best of its knowledge and belief, the value on the realization of current assets and loans and advances are approximate of the same value as stated.
13. **Contractual liabilities:** All other contractual liabilities connected with the business operations of the Company have been appropriately provided for.
14. **Amounts in the financial statements:** Amounts in the financial statements are rounded off to the nearest lacs. Figures in brackets indicate negative values.
15. **Impact of Audit Qualifications/Observations in Statutory Auditor's Report on Financial Statements:** There have been no audit qualifications/observations in Statutory Auditor's Report for F.Y. 2021-22 and for period from April 1, 2022 to February 21, 2023 which requires adjustments in restated financial statements.
16. **Material Adjustments:** Appropriate adjustments have been made in the restated financial statements, whenever required, by a reclassification of the corresponding items of assets, liabilities, and cash flow statement, in order to ensure consistency and compliance with requirements of Schedule VI and Accounting Standards.

Statement of Adjustments in the financial statements is presented here below:

#### RECONCILIATION OF RESTATED PROFIT

(₹ in Lakhs)

Adjustments for	February 21, 2023	March 31, 2022
Net profit/(Loss) after Tax as per Audited Profit & Loss Account	1173.29	277.67
<b>Adjustments for:</b>		
Provision for gratuity (Refer note no.1)	1.69	(1.63)
Short/excess Provision of tax (Note no. 2)	154.85	(40.86)
Short/excess Deferred tax Provision (Note no. 3)	(7.39)	9.86
Adjustment for MAT credit entitlement	309.80	36.39
Adjustment for previous year tax	97.77	
Adjustment for difference in depreciation	64.55	(31.26)
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>1794.56</b>	<b>250.17</b>

#### Notes: -

- The provision for gratuity has been done in all years covered for restatement as per Actuarial Valuation Reports and provided in the respective year in which such liability has arisen as per AS 15: Employee Benefits.
- Provision for Taxation has been adjusted for Items like Income Tax related to Earlier Years and Short Provision for Earlier Years and Mat Credit Availed.
- Due to changes in depreciation and gratuity provisions the deferred tax component on the same has also undergone a change.
- The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below: -

#### RECONCILIATION OF EQUITY AND RESERVES:

(₹ In Lakhs)

Particulars	February 21, 2023	March 31, 2022
<b>Equity and reserves as per Audited Balance sheet</b>	<b>1774.08</b>	<b>1481.86</b>
Adjustments for:		
Opening adjustment to Reserve	39.70	67.21
Difference Due to Change in P&L	621.28	(27.50)
Adjustment done in Reserves, now correct through P& L		
<b>Equity and reserves as per Re-stated Balance sheet</b>	<b>2435.06</b>	<b>1521.57</b>

Appropriate adjustments have been made in the restated financial statements, wherever required, by a reclassification of the corresponding items of Income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial of the company for all the years and requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018.

**NOTE – A**  
**RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**

(Amt. in ₹ Lakhs, Except Share Data)

Particulars	As At	
	February 21, 2023	March 31, 2022
<b>Share Capital</b>		
Proprietors Capital (Amrit Lal Manwani)		
Opening Balance	1521.57	697.80
Addition During the year	10.00	703.00
Less Drawing	891.07	129.40
<b>Profit &amp; Loss during the year +/-</b>	1794.56	250.17
<b>Total :</b>	<b>2435.06</b>	<b>1521.57</b>

(₹ in Lakhs)

Particulars	As At	
	February 21, 2023	March 31, 2022
<b>Reserves and Surplus</b>		
<b>Surplus in Profit and Loss account</b>		
Balance at the beginning of Financial Year	-	-
During the year	-	-
Balance as at the end of Financial Year	-	-
<b>Less: Interim Dividend</b>		
<b>Closing balance (A)</b>		
<b>Security Premium</b>		
Addition During the Year	-	-
<b>Total (B)</b>	-	-
<b>Balance as at the end of Financial Year (A+B)</b>	-	-

**NOTE – B**  
**RESTATED STATEMENT OF LONG-TERM BORROWINGS**

(₹ in Lakhs)

Particulars	As At	
	February 21, 2023	March 31, 2022
<b>Term loans</b>		
<b>(a) Secured Term Loans From Banks/ NBFC</b>		
-Canara Bank Term Loan	-	-
<b>Total (a+b)</b>	-	-

Notes:

1. The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE-B (A) and NOTE B (B).

**NOTE B(A) RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY AS PER SANCTION LETTER**

(₹ in Lakhs)

Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	*Re-Payment Schedule	Outstanding amount as on 21.02.2023 as per Books	Outstanding amount as on 31.03.2022 as per Books
HDFC Bank Ltd	Working Capital	150	1.80%+S OFAR	Leasehold land and building located at Plot 68-AA, NSEZ, Noida, Uttar Pradesh. Current asset (i.e stock & Debtors) given as primary & collateral security	-	-	30.96
Canara Bank	Working Capital	700	1.80%+S OFAR	Leasehold land and building located at Plot 68-AA, NSEZ, Noida, Uttar Pradesh. Current asset (i.e stock & Debtors) given as primary & collateral	-	620.60	-

Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	*Re-Payment Schedule	Outstanding amount as on 21.02.2023 as per Books	Outstanding amount as on 31.03.2022 as per Books
				security			
<b>Total Short Term Borrowings</b>						<b>620.60</b>	<b>30.96</b>
<b>Grand Total</b>						<b>620.60</b>	<b>30.96</b>

## NOTE B(B) STATEMENT OF TERMS &amp; CONDITIONS OF UNSECURED LOANS

(₹ in Lakhs)

Name of Lender	Purpose	Rate of Interest	Outstanding amount as on 21.02.2023	Outstanding amount as on 31.03.2022
<b>FROM DIRECTORS:</b>				
Amrit Lal Manwani (Sahasra Electronics)	Business	-	178.00	-
Varun Manwani	Business	-	-	-
Arunima Manwani	Business	-	-	-
Grand Total		-	178.00	-

## NOTE- C

## RESTATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES

(₹ in Lakhs)

Particulars	As At	
	February 21, 2023	March 31, 2022
<b>Opening Balance (A)</b>		
Opening Balance of Deferred Tax (Asset) / Liability (A)	16.86	26.73
<b>Closing Balances (B)</b>	24.25	16.86
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	35.38	18.59
(DTA) / DTL on account of gratuity provision	(7.00)	(0.43)
(DTA) / DTL on account of sec 43 (b)	(4.13)	(1.30)
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>24.25</b>	<b>16.86</b>
<b>Current Year Provision (B-A)</b>	<b>7.39</b>	<b>(9.87)</b>

## NOTE - D

## RESTATEMENT OF LONG-TERM PROVISIONS

(₹ in Lakhs)

Particulars	As At	
	February 21, 2023	March 31, 2022
-Gratuity provision	10.55	1.65
-Leave encashment provision	16.34	-
<b>Total</b>	<b>26.89</b>	<b>1.65</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

## NOTE - E

## RESTATEMENT OF SHORT-TERM BORROWINGS

(₹ in Lakhs)

Particulars	As At	
	February 21, 2023	March 31, 2022
<b>Packing Credit Loans (Secured)</b>		
-Canara Bank (PCFC)	620.60	-
- HDFC Bank (PCFC)		30.96
- Citi Bank (PCFC)		
<b>Subtotal (A)</b>	<b>620.60</b>	<b>30.96</b>
<b>Loans (Un Secured)</b>		
-Sahasra Electronics	178.00	-
<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>
<b>Current Maturity of Long Term Debts</b>		



Particulars	As At	
	February 21, 2023	March 31, 2022
-Secured Term loans from Banks (Current Maturity)	-	-
<b>Subtotal (C)</b>	-	-
<b>Total (A+B+C)</b>	<b>798.60</b>	<b>30.96</b>

Note:

The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in NOTE-B (A) and NOTE B (B)

**NOTE – F**  
**RESTATED STATEMENT OF TRADE PAYABLES**

(₹ in Lakhs)

Particulars	As at	
	February 21, 2023	March 31, 2022
<b>Trade Payables</b>		
<b>For Goods &amp; Services</b>		
Micro, Small and Medium Enterprises	245.73	9.97
Other than Micro, Small and Medium Enterprises	991.25	444.98
<b>Total</b>	<b>1,236.98</b>	<b>454.95</b>

**Trade Payable Ageing as at February 21, 2023**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	245.73	-	-	-	245.73
Others	991.25	-	-	-	991.25
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total	<b>1,236.98</b>	-	-	-	<b>1,236.98</b>
MSME - Undue	-	-	-	-	-
Others - Undue	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>1,236.98</b>

**Trade Payable Ageing as at March 31, 2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	9.97	-	-	-	9.97
Others	444.98	-	-	-	444.98
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
Sub total	<b>454.95</b>	-	-	-	<b>454.95</b>
MSME - Undue	-	-	-	-	-
Others - Undue	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>454.95</b>

Notes:

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

**NOTE – G**  
**RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

Particulars	As at	
	February 21, 2023	March 31, 2022
<b>Other Current Liabilities</b>		
-Advance from Customer	109.99	-
-Retention Money (against construction)	15.67	15.67
<b>Other payables</b>		
-Expenses Payable	89.38	9.38

Particulars	As at	
	February 21, 2023	March 31, 2022
-GST Payable	-	-
-TDS and TCS Payable	8.90	0.28
-EPF Payable	31.87	0.98
-ESIC Payable		0.15
-Other Payable (salary etc.)	125.46	44.48
<b>Total</b>	<b>381.27</b>	<b>70.94</b>

Notes:

The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE – H**  
**RESTATED STATEMENT OF SHORT-TERM PROVISIONS**

(₹ in Lakhs)

Particulars	As At	
	February 21, 2023	March 31, 2022
<b>Provision for employee benefits</b>		
-Directors' remuneration Payable	-	-
-Labour Welfare Fund Payable	5.68	-
- Gratuity payable	0.02	-
-Leave Encashment Provision	-	-
-Bonus Payable	15.87	5.01
		-
<b>Others</b>		
-Provision for taxation C/f	83.45	49.93
-Provision for taxation	163.61	33.53
-Provision for Expenses (Short term leave encashment)	1.83	-
<b>Total</b>	<b>270.47</b>	<b>88.46</b>

**NOTE – I**  
**RESTATED STATEMENT OF FIXED ASSETS**

01.04.2022 to 21.02.2023

(₹ in Lakhs)

Particulars	Useful Life  (In Years)	Rate  21/02/ 2023	Gross Block				Depreciation				Net Block	
			As at 01/04/2022	Additions during the year	Subsidy adjustment/ Deletion during the year	As at 21/02/2023	As at 01/04/2022	Total Depreciation During the Year	Deletion During the year	Balance as at 21/02/2023	As at 21/02/2023	As at 31/03/2022
<b>(i) Tangible Assets</b>												
Land (Bhiwadi Factory)	50	10%	-	-	-	-	-	-	-	-	-	-
Plant ,Machinery , Equipment & Utility	15	18.10%	437.40	517.60	-	955.01	124.63	110.27	-	234.90	720.10	312.77
Computer Peripherial	3	63.16%	-	-	-	-	-	-	-	-	-	-
Building Fire fitt. Fixture	10	25.89%	25.57	0.44	-	26.00	6.39	4.45	-	10.84	15.17	19.18
Furniture & Elec. fitting	10	25.89%	52.19	9.93	-	62.12	20.04	9.01	-	29.05	33.07	32.15
Office Equipment's	5	45.07%	2.84	0.11	-	2.95	0.86	0.82	-	1.68	1.27	1.98
Factory Building	30	9.50%	532.59	23.36	-	555.95	71.05	39.83	-	110.88	445.07	461.54
Electrical Equipment	10	25.89%	0.01	-	-	0.01	0.00	0.00	-	0.00	0.01	0.01
Air Conditioner	10	25.89%	58.11	17.87	-	75.98	17.89	9.76	-	27.65	48.33	40.22
Temporary Partition	10	25.89%	14.08	6.26	-	20.34	3.73	2.96	-	6.69	13.65	10.36
Vehicles	8	31.23%	1.10	-	-	1.10	0.69	0.11	-	0.80	0.30	0.41
CCTV camera	5	25.89%	1.50	0.21	-	1.71	0.19	0.31	-	0.50	1.21	1.31
<b>Subtotal</b>			<b>1,125.40</b>	<b>575.77</b>	<b>-</b>	<b>1,701.17</b>	<b>245.47</b>	<b>177.52</b>	<b>-</b>	<b>422.99</b>	<b>1,278.17</b>	<b>879.92</b>
<b>(ii) Capital Work in Progress</b>												
WIP			-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(iii)Intangible Assets</b>												
Computer Software			-	-	-	-	-	-	-	-	-	-
License & goodwill			-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>			<b>1,125.40</b>	<b>575.77</b>	<b>-</b>	<b>1,701.17</b>	<b>245.47</b>	<b>177.52</b>	<b>-</b>	<b>422.99</b>	<b>1,278.17</b>	<b>879.92</b>

March 31, 2022

(₹ in Lakhs)

Particulars	Useful Life	Rate	Gross Block				Depreciation				Net Block	
	(In Years)	2021-22	As at 01/04/2021	Additions during the year	Subsidy adjustment/ Deletion during the year	As at 31/03/2022	Upto 01/04/2021	Total Dep during the Year	Deletion During the year	Total up to 31/03/2022	As at 31/03/2022	As at 31/03/2021
<b>(i) Tangible Assets</b>												
Land (Bhiwadi Factory)	-	-	-	-	-	-	-	-	-	-	-	-
Plant, Machinery, Equipment & Utility	15	18.10%	430.74	6.66	-	437.40	46.29	78.34	-	124.63	312.77	430.74
Computer	3	63.16%	-	-	-	-	-	-	-	-	-	-
Building Fire fitt. Fixture	10	25.89%	23.60	1.97	-	25.57	0.10	6.28	-	6.39	19.18	23.60
Furniture & Elec. fitting	10	25.89%	47.79	4.40	-	52.19	6.77	13.27	-	20.04	32.15	47.79
Office Equipment's	5	45.07%	0.40	2.44	-	2.84	0.18	0.68	-	0.86	1.98	0.40
Factory Building	30	9.50%	447.97	84.62	-	532.59	25.68	45.37	-	71.05	461.54	447.97
Electrical Equipment	10	25.89%	0.01	-	-	0.01	-	0.00	-	0.00	0.01	0.01
Air Conditioner	10	25.89%	33.55	24.56	-	58.11	3.62	14.28	-	17.89	40.22	33.55
Temporary Partition	10	25.89%	6.71	7.37	-	14.08	0.91	2.81	-	3.73	10.36	6.71
Vehicles	8	31.23%	1.10	-	-	1.10	0.35	0.34	-	0.69	0.41	1.10
CCTV camera	5	25.89%	-	1.50	-	1.50	-	0.19	-	0.19	1.31	-
<b>Subtotal</b>			<b>991.87</b>	<b>133.53</b>	<b>-</b>	<b>1,125.40</b>	<b>83.91</b>	<b>161.56</b>	<b>-</b>	<b>245.47</b>	<b>879.92</b>	<b>991.87</b>
<b>(ii) Capital Work in Progress</b>												
WIP	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>												
<b>Intangible Assets</b>												
Computer Software	-	-	-	-	-	-	-	-	-	-	-	-
License & goodwill	-	-	-	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>												
<b>Total</b>			<b>991.87</b>	<b>133.53</b>	<b>-</b>	<b>1,125.40</b>	<b>83.91</b>	<b>161.56</b>	<b>-</b>	<b>245.47</b>	<b>879.92</b>	<b>991.87</b>

**NOTE – J**  
**RESTATED STATEMENT OF NON-CURRENT INVESTMENT**

(₹. in Lakhs &amp; Shares in No.)

Particulars	No. of Shares	February 21, 2023		No. of Shares	March 31, 2022
<b>Investment</b>					
- Equity of Infopower Technologies Private Limited	1,03,872	11.00		1,03,872	11.00
- Equity of Sahasra Semiconductors Private Limited	64,80,000	648.00		-	-
<b>Total (Shares In No. &amp; amount in lacs)</b>		<b>659.00</b>			<b>11.00</b>

**NOTE – K**  
**RESTATED STATEMENT OF LOANS AND ADVANCES**

(₹ in Lakhs)

Particulars	As at	
	February 21, 2023	March 31, 2022
<b>Unsecured, Considered Good unless otherwise stated</b>		
-Capital Advance	58.74	401.15
<b>Total</b>	<b>58.74</b>	<b>401.15</b>

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**NOTE – L**  
**RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at	
	February 21, 2023	March 31, 2022
<b>Security Deposits</b>		
-Security Deposit	5.53	3.30
-MAT Credit Entitlement	387.28	77.48
<b>Total</b>	<b>392.81</b>	<b>80.78</b>

**NOTE – M**  
**RESTATED STATEMENT OF TRADE RECEIVABLES**

(₹ in Lakhs)

Particulars	As at	
	February 21, 2023	March 31, 2022
<b>Trade Receivables</b>		
<b>Unsecured Considered good</b>		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
Dues From Directors, Related parties/Common Group Company, etc.	1130.01	452.92
Others	584.57	6.97
<b>Sub Total (A)</b>	<b>1,714.58</b>	<b>459.89</b>
<b>Secured Considered good</b>		
Outstanding for a period not exceeding 6 months (Secured and considered Good)	-	-
Dues From Related parties/ Common Group Company, etc.	-	-
Others	-	-
<b>Sub Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,714.58</b>	<b>459.89</b>

Trade Receivables ageing schedule as at February 21, 2023

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	1671.79	42.79	-	-	-	1,714.58
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
<b>Sub total</b>	<b>1671.79</b>	<b>42.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,714.58</b>
Undue - considered good	-	-	-	-	-	-
Undue - considered doubtful	-	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Provision for doubtful debts	-	-	-	-	-	-
<b>Total</b>	<b>1671.79</b>	<b>42.79</b>	-	-	-	<b>1,714.58</b>

Trade Receivables ageing schedule as at March 31, 2022

(₹ In Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables- considered good	447.74	2.60	9.55	-	-	459.89
Undisputed Trade Receivables- considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Sub total	<b>447.74</b>	<b>2.60</b>	<b>9.55</b>	-	-	<b>459.89</b>
Undue - considered good	-	-	-	-	-	-
Undue - considered doubtful	-	-	-	-	-	-
Provision for doubtful debts	-	-	-	-	-	-
<b>Total</b>	<b>447.74</b>	<b>2.60</b>	<b>9.55</b>	-	-	<b>459.89</b>

## NOTE - N

## RESTATED STATEMENT OF CASH &amp; CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at	
	February 21, 2023	March 31, 2022
<b>a. Balances with Banks in Current Accounts</b>		
-Canara Bank - Current a/c	11.24	0.85
-Canara Bank - EEFC \$ a/c	17.30	-
-HDFC Bank - Current a/c	6.06	9.16
-HDFC Bank - EEFC \$ a/c	12.64	6.35
<b>b. Cash on Hand</b>	0.48	1.00
<b>c. Fixed Deposits</b>		
-Fixed Deposit	130.62	30.08
<b>Total</b>	<b>178.34</b>	<b>47.44</b>

## NOTE - O

## RESTATED STATEMENT OF INVENTORIES

(₹ in Lakhs)

Particulars	As at	
	February 21, 2023	March 31, 2022
<b>Stock of Raw Material and Stock in Trade</b>		
Raw Material	527.47	159.54
Work-in- Progress (WIP)	310.61	-
Consumables	10.39	2.48
Finished Goods	-	96.53
Packaging Material	8.82	1.36
Stock in Transit	-	44.14
<b>Total</b>	<b>857.29</b>	<b>304.05</b>

## NOTE - P

## RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at	
	February 21, 2023	March 31, 2022
<b>Unsecured, Considered Good unless otherwise stated</b>		
-Advance /Imprest	9.50	0.12
-Other Loans & Advances	7.14	-
-Advance Tax	-	-
- MAT Credit	-	-
-TCS Receivable	-	-

Particulars	As at	
	February 21, 2023	March 31, 2022
-TDS Receivable	-	-
<b>Total</b>	<b>16.64</b>	<b>0.12</b>

**NOTE – Q**  
**RESTATED STATEMENT OF OTHER CURRENT ASSETS**

(₹ in Lakhs)

Particulars	As at	
	February 21, 2023	March 31, 2022
-Prepaid Expenses	4.04	1.02
-Balances with Government Authorities	0.02	0.02
-Preliminary Expenses		0.00
- Interest Receivable	13.89	
<b>Total</b>	<b>17.95</b>	<b>1.04</b>

**NOTE – R**  
**RESTATED STATEMENT OF REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	For the Period/ Year ended	
	February 21, 2023	March 31, 2022
<b>(a) Revenue from Operations</b>		
-Sale of Products		
(1) Export Sales	5,787.55	2,038.30
(2) Local Sales	77.15	131.82
Less: Rebate & Discount		
<b>(b) Other Operating Revenue</b>		
-Scrap Sales	-	-
-Freight & Insurance	0.53	0.34
-MEIS on export received	-	5.19
<b>Total</b>	<b>5,865.23</b>	<b>2,175.65</b>

**NOTE – S**  
**RESTATED STATEMENT OF OTHER INCOME**

(₹ in Lakhs)

Particulars	For the Period/ Year ended	
	February 21, 2023	March 31, 2022
<b>Related and Recurring Income:</b>		
-Rent Commercial		
-Rebate & Discount	1.73	1.82
-Misc. Income	19.38	-
-Short Term capital gain	0.24	-
<b>Related and Non-Recurring Income:</b>		
-Foreign Currency Transaction gain	111.41	31.31
-ABRY Benefit of EPF	0.78	1.27
-Bal written off	-	-
-Interest earned	4.15	1.35
-MEIS Licence Sale	-	1.40
<b>Total</b>	<b>137.69</b>	<b>37.15</b>

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

**NOTE – T**  
**RESTATED STATEMENT OF COST OF MATERIAL CONSUMED**

(₹ in Lakhs)

Particulars	For the Period/ Year ended	
	February 21, 2023	March 31, 2022
Opening Stock of Raw Material	203.68	90.80
Purchase of Raw Materials & Components	3,669.17	1,708.32
Less :Closing Stock of Raw Material	527.47	203.68
<b>Cost of Raw Material Consumed</b>	<b>3,345.38</b>	<b>1,595.44</b>
Opening Stock of Packaging Material	1.36	1.13

Particulars	For the Period/ Year ended	
	February 21, 2023	March 31, 2022
Purchase of Packaging Materials	67.28	13.61
Less :Closing Stock of Packaging Material	8.82	1.36
<b>Cost of Packaging Material Consumed</b>	<b>59.82</b>	<b>13.38</b>
Opening Stock of Consumable Material	2.48	2.71
Purchase of Consumable Materials	46.17	24.77
Less :Closing Stock of Consumable Material	10.39	2.48
<b>Cost of Consumable Material Consumed</b>	<b>38.26</b>	<b>25.00</b>
<b>Total Cost of Material Consumed</b>	<b>3,443.46</b>	<b>1,633.82</b>

## NOTE – U

## RESTATED STATEMENT OF CHANGE IN INVENTORIES OF WORK IN PROGRESS AND FINISHED GOODS

(₹ in Lakhs)

Particulars	For the Period/ Year ended	
	February 21, 2023	March 31, 2022
Opening Balance of Raw Material, Finished Goods and Components		
(i) Finished Goods	-	96.53
(ii) Work-in-Progress	310.61	-
(iii) Consumables	-	-
<b>Total</b>	<b>310.61</b>	<b>96.53</b>
Less Closing Balance of Raw Material, Finished Goods and Components		
(i) Finished Goods	96.53	-
(ii) Work-in-Progress	-	32.41
(iii) Consumables	-	-
<b>Total</b>	<b>96.53</b>	<b>32.41</b>
<b>Increase/(Decrease) in Stock</b>	<b>(214.08)</b>	<b>(64.12)</b>

## NOTE – V

## RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	For the Period/ Year ended	
	February 21, 2023	March 31, 2022
Salaries and wages		
-Directors remuneration	-	-
-Employee's Salary Expenses	285.67	120.92
-Contract Labour Charges	-	-
-Statutory bonus	-	-
-Staff Welfare Expenses	2.12	0.97
Contribution to provident and other funds		
-EPF	21.22	5.33
-ESIC	4.92	1.24
-Gratuity	8.92	1.65
-Leave Encashment	14.80	-
<b>Total</b>	<b>337.65</b>	<b>130.11</b>

## NOTE – W

## RESTATED STATEMENT OF FINANCE COST

(₹ in Lakhs)

Particulars	For the Period/ Year ended	
	February 21, 2023	March 31, 2022
<b>Interest expense</b>		
-PCFC Charges	18.52	1.92
-Interest on Term Loan from Bank	-	6.38
-Interest on Unsecured loan from Related party	10.47	-
Other borrowing costs		
-Loan Processing Cost/Bank charges	3.11	3.16
-Bank charges	12.29	5.89
<b>Total</b>	<b>44.39</b>	<b>17.35</b>



**NOTE – X**  
**RESTATED STATEMENT OF OTHER EXPENSES**

(₹ in Lakhs)

Particulars	For the Period/ Year ended	
	February 21, 2023	March 31, 2022
Audit Fees	0.27	0.30
Rates & taxes	0.01	-
Corporate & other ROC fees		
Power and fuel	34.35	14.67
<b>Rent</b>		
-Rent	1.62	1.73
<b>Repair and Maintenance</b>		
-Repair & Maintenance - P&M	4.44	0.89
-Repair and Maintenance - Building	1.71	-
-Repair & Maintenance - Other	4.31	0.68
-Annual maintenance	2.15	0.16
<b>Transport Charges</b>		
-Transport Charges	-	0.59
<b>Testing Charges</b>		
-Testing Charges	0.47	0.20
<b>Insurance</b>		
-Insurance	3.27	3.13
<b>Selling &amp; Distribution Expenses</b>		
-Business Promotion Expenses	0.42	0.07
<b>Other Expenses</b>		
-Professional Fee	80.00	1.45
-Security Charges	6.01	4.09
-Travelling & Conveyance Expenses	5.06	0.22
- Commission & Incentive - Sales Channel	65.21	
- Certification/depository/ grant fee etc		
-Freight & Cartage Inward		
-Fee - Independent Director		
-Telephone Expenses	0.50	-
- Polution Charges	-	-
- Postage Charges	0.11	
- Balance written off	8.89	-
-Membership fee	0.18	0.49
-Misc. Expenses	1.06	0.54
- Festival Expenses		
-Rebate & Discount	42.34	-
-Custom Clearence inward	14.42	7.03
-Custom Clearence Outward	4.21	1.82
-Freight Outward Charges	120.70	47.67
-Interest on DT/IDT/TDS	0.01	0.02
-Interest on MSME dues		
-Research & Development		
-Tolls & other misc	0.99	2.19
-Training & Certification	0.15	0.72
-Printing And Stationery	1.67	0.46
-Weight & Measurement & Warehouse chrg.	1.40	0.19
-Loss on sale of assets	-	
<b>Total</b>	<b>405.93</b>	<b>89.31</b>

**NOTE – Y**  
**RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS**

## AA RELATED PARTY DISCLOSURE

## (A) List of Related parties

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
(a)	<b>List of Related parties</b>	
1	Mr. Amrit Lal Manwani	Proprietor

Sr. No.	Name of the Person / Entity	Relation
(b)	Entity	
4	Sahasra Electronics Private Limited	Proprietor/relative is Director
5	Sahasra Semiconductors Private Limited	Proprietor/relative is Director
6	Infopower Technologies Private Limited	Proprietor/relative is Director
7	Sahasra Electronics Rwanda Private Limited	Proprietor/relative is Director
8	Sahasra Electronics	Proprietor/relative is Director
9	Optima Technology INC	Proprietor/relative is Director

**(B) TRANSACTION WITH RELATED PARTIES :-***(₹ in lakhs)*

Particulars	For Feb 21, 2023	For March 31, 2022
<b>Capital Contribution by Proprietor</b>		
Capital Introduction	10.00	703.00
withdrawn of capital	891.07	129.40
<b>Export Sales &amp; Domestic Sales</b>		
Optima Technology Associates Inc	4,112.42	1,543.06
Sahasra Electronics	-	155.55
Sahasra Electronics Rwanda Private Limited	63.71	434.14
<b>Purchase &amp; Import of Raw Material</b>		
Optima Technology Associates Inc	378.05	141.71
Infopower Technologies Private Limited	406.83	146.75
Sahasra Electronics		
Sahasra Electronics Private Limited		20.56
Sahasra Semiconductors Private Limited		
<b>Interest Paid , Received &amp; re-imburement</b>		
Sahasra Electronics	-	-
Infopower Technologies Private Limited	-	0.77
Sahasra Electronics Private Limited	161.44	72.79
Sahasra Semiconductors Private Limited	15.06	1.14
<b>Loan Given</b>		
Sahasra Semiconductors Private Limited	(400.00)	400.00
Amrit Lal Manwani (Repaid)	-	-
<b>Loan Taken</b>		
Amrit Lal Manwani	178.00	-

Details of Balance Outstanding of related parties as at :

*(₹ in lakhs)*

Name	Relation	Particulars	Outstanding Balance	
			For Feb 21, 2023	For March 31, 2022
Optima Tech Associates Inc	Significant Influence	Trade Receivables	1013.98	137.25
		Trade Payables	49.26	57.28
Infopower Technologies Private Limited	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence / Group Companies	Trade Payables	62.87	11.45
		Non-Current Investment	11.00	11.00
Sahasra Electronics (Rwanda) Private Limited	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence / Group Companies Wholly owned subsidiary	Trade Receivables	116.03	315.67
Sahasra Electronics	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence	Trade Receivables	-	-
		Trade Payable		98.13
Sahasra Semiconductors Private Limited	Entities over which Key Managerial Personnel and its relatives are able to exercise significance influence	Investment	648.00	-
		Current Asset	10.85	1.14
		Long term loans & Advances	-	400.00

Name	Relation	Particulars	Outstanding Balance	
			For Feb 21, 2023	For March 31, 2022
Sahasra Electronics Private Ltd	Significant Influence	Trade Payable	78.90	-

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

**NOTE – Z**  
**RESTATED STATEMENT OF TAX SHELTER**

(₹ In Lakhs)

Particulars	As at February 21, 2023	As at March 31, 2022
Restated profit before tax as per books (A)	1808.06	244.77
Tax Rates		
Income Tax Rate (%)	25.00%	25.00%
Minimum Alternative Tax Rate (%)	15.00%	15.00%
Surcharge	12.00%	7.00%
<b>Adjustments : (B)</b>		
Income Considered Separately	(4.15)	(1.35)
Disallowed	15.87	5.01
Disallowed Gratuity and Leave Encashment	25.26	1.65
<b>Timing Difference</b>		
Book Depreciation	177.52	161.56
Income Tax Depreciation allowed	242.07	130.30
<b>Total Timing Difference (C)</b>	<b>(64.55)</b>	<b>31.26</b>
Net Adjustment D= (B+C)	(27.57)	36.57
Tax Expenses as per Signed FS	-	-
Income from Capital Gains (E)	-	-
Income from Other Sources (F)	4.15	1.35
Deduction under chapter VI (G)	-	-
Brought Forward Losses set off (H)	-	-
<b>Taxable Income/(Loss) (A+D+E+F+G-H)</b>	<b>1,784.64</b>	<b>282.69</b>
Less: Exception u/s 10AA (I)	1,761.16	265.52
<b>Taxable Income/(Loss) (A+D+E+F+G-H-I)</b>	<b>23.48</b>	<b>17.17</b>
Income Tax on Above -A	5.87	4.29
Surcharge	-	-
Health & ED cess 4%	0.23	0.17
<b>Tax Payable</b>	<b>315.90</b>	<b>40.86</b>
MAT on Book Profit -B	271.21	36.72
Surcharge	32.54	2.57
Health & ED cess 4%	12.15	1.57

**NOTE – ZB**  
**RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS**

(₹ in Lakhs Except Per Share Data)

Particulars	As at	
	February 21, 2023	March 31, 2022
Net Worth (A)	2,435.06	1,521.57
Adjusted Profit after Tax (B)	1,794.56	250.17
Number of Equity Share as on the End of Year (C)	1,79,69,500	1,79,69,500
Weighted Average no. of Equity shares (D)	17,745,781	17,745,781
Face Value per Share	-	-
Restated Basic and Diluted Earnings Per Share (₹) (B/D)	10.11	1.41
Return on Net worth (%) (B/A)	73.70%	16.44%
Net asset value per share (A/C) (Face Value of ₹ 10 Each) (Based on Actual Number of Shares)	13.55	8.47
Net asset value per share (A/C) (Face Value of ₹ 10 Each) (Based on Weighted Average Number of Shares)	13.72	8.57
<b>EBITDA</b>	<b>1,876.88</b>	<b>377.48</b>

Note:

1) The ratios have been computed as below:

- (a) Basic earnings per share (₹): Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the year.
- (b) Diluted earnings per share (₹): Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the year for diluted EPS.
- (c) Return on net worth (%): Net profit after tax (as restated) / Net worth at the end of the year.
- (d) Net assets value per share: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the year.

		Feb-23	Mar-22
Current Ratio	<u>Current Assets</u>	2,784.80	812.54
	<u>Current Liabilities</u>	2,687.32	645.31
		1.04	1.26
Debt-Equity Ratio	<u>Total Debts</u>	798.60	30.96
	<u>Equity</u>	2,435.06	1,521.57
		0.33	0.02
Debt Service Coverage Ratio	<u>Earning available for Debt Service</u>	2,016.47	429.08
	<u>Interest + Installments</u>	28.99	8.30
		69.56	51.70
Return on Equity Ratio	<u>Profit after Tax</u>	1,794.56	250.17
	<u>Average Shareholder's Equity</u>	1,978.31	1,109.68
		90.71%	22.54%
Inventory Turnover Ratio	<u>Cost of material consumed</u>	3,443.46	1,633.82
	<u>Average Inventories</u>	580.67	218.13
		5.93	7.49
Trade Receivables turnover ratio (in times)	<u>Total Turnover</u>	5,865.23	2,175.65
	<u>Average Account Receivable</u>	1,087.24	323.66
		5.39	6.72
Trade Payable Turnover ratio (in times)	<u>Total Purchases</u>	3,782.62	1,746.70
	<u>Average Account Payable</u>	845.97	311.17
		4.47	5.61
Net capital turnover ratio (in times)	<u>Total Turnover</u>	5,865.23	2,175.65
	<u>Net Working Capital</u>	97.48	167.23
		60.17	13.01
Net profit ratio	<u>Net Profit</u>	1,794.56	250.17
	<u>Total Turnover</u>	5,865.23	2,175.65
		30.60%	11.50%
Return on Capital employed	<u>EBIT</u>	1,837.05	253.07
	<u>Capital Employed</u>	3,233.66	1,552.53
		56.81%	16.30%
Return on total Assets	<u>Net Profit</u>	1,794.56	250.17
	<u>Total Investment</u>	5,173.52	2,185.39
		34.69%	11.45%

Additional Information to the financial statements:

NOTE NO. ZC Other Disclosures as per Schedule-III of the Companies Act, 2013

ZC1 Value of imports calculated on C.I.F basis by the company during the financial year in respect of

(₹ in Lakhs)

Particulars		As at	
		February 21, 2023	March 31, 2022
(a)	Raw materials	2,825.20	1,201.41
(b)	Plant & Machinery/ Equipment's	315.96	-

**ZC2 Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;**

(₹ in Lakhs)

Particulars		As at	
		February 21, 2023	March 31, 2022
(a)	Travelling Expenses	Nil	Nil
(b)	Other	Nil	Nil

**ZC3 Total value of all imported and Indigenous raw materials, spare parts and components consumed during the financial year and the total value of all raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption**

(₹ in Lakhs)

S. No.	Details of consumption of Raw Material & Consumables*	As at	
		February 21, 2023	March 31, 2022
(i)	Imported Raw materials	2,725.62	1,075.52
(ii)	Indigenous Raw materials	1,002.08	493.52

(\* ) Note 1: The stores and spares consumed are 100% indigenous.

**ZC4 Earnings in foreign exchange**

(₹ in Lakhs)

S. No.	Particulars	As at	
		February 21, 2023	March 31, 2022
(a)	Export of goods calculated on FOB basis	5787.55	2,038.30

**ZC5 Amounts remitted in foreign currency during the year on account of dividend**

(₹ in Lakhs)

S. No.	Particulars	As at	
		February 21, 2023	March 31, 2022
(a)	Amount of dividend remitted in foreign currency	Nil	Nil

**NOTE NO. ZD: Other Disclosures**

**ZD1 Disclosures related to Micro, Small and Medium Enterprises.**

The Company has made payments of dues to Micro, Small and Medium enterprises generally within stipulated period of 45 days as prescribed under Micro, small and Medium Enterprises Development Act.

The details relating to Micro, Small and medium enterprise disclosed as under :

(₹ in Lakhs)

S. No.	Particulars	February 21, 2023	March 31, 2022
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	245.73	9.97
2	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
3	The amount of interest due and payable for the period of delay in making payment (which has 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;	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
5	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.	-	-

**ZD2 Leases**

(₹ in Lakhs)

S. No.	Particular	February 21, 2023	March 31, 2022
(a)	Future minimum rentals payable under non- cancellable operating Lease		
	- Not later than one Year	-	-
	- Later than one Year and not later than five years	-	-
(b)	Lease payments recognized in the Statement of profit and loss for the period, with separate amount	-	-

**ZD3 Foreign Exchange exposure as on year-end are as under:**

(₹ in Lakhs)

S. No.	Particulars	February 21, 2023	March 31, 2022
(a)	Amount Receivable	\$21,15,235	\$6,24,999
(b)	Advance received for supply of goods	\$1,33,422	\$27,204

**ZD4 Accounting Ratios**

S. No.	Particulars	February 21, 2023	March 31, 2022
1	Current Ratio	1.04	1.26
2	Debt-Equity Ratio	0.33	0.02
3	Debt Service Coverage Ratio	69.56	51.70
4	Return on Equity Ratio	90.71%	22.54%
5	Trade Receivables turnover ratio (in times)	5.39	6.72
6	Net capital turnover ratio (in times)	60.17	13.01
7	Net profit ratio	30.60%	11.50%
8	Inventory Turnover Ratio	5.93	7.49
9	Return on Capital employed	56.81%	16.30%
10	Return on total Assets	34.69%	11.45%

**Additional Regulatory Information**

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part I of Division II of Schedule III to the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

- (a) Title deeds (lease Deed) of Immovable property in the name of the company
- (b) Fair Value of Investment Property - The Company does not have any Investment property.
- (c) Details of Benami Property held  
The company does not have any Benami Property, where any proceeding has 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.
- (d) Borrowings from banks or financial institutions on the basis of security of current assets  
The Company has availed borrowing from bank or financial institutions on the basis of security of current assets.
- (e) Willful Defaulter  
The Company has not been declared as willful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when the financial statements are approved.
- (f) Relationship with Struck off Companies  
The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- (g) Registration of charges or satisfaction thereof with Registrar of Companies  
There is no charges or satisfaction thereof yet to be registered with Registrar of Companies beyond the statutory period as on the date of Balance Sheet
- (h) Compliance with Number of layers of companies  
There is no non-compliance of provisions regarding the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

- (i) The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities intermediaries with the undemanding that the intermediary shall -
  - (1) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company Ultimate Beneficiaries.
  - (2) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  
- (j) The Company has not received any funds from any person or entities including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall;
  - (1) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate beneficiaries), or
  - (2) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  
- (k) Undisclosed  
The Company does not have any transactions which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under The Income Tax Act, 1961 (such as, search or surveyor any other relevant provisions of the Income Tax Act, 1961).
  
- (l) Details of Crypto Currency or Virtual Currency  
The Company has not traded or invested In Crypto currency or Virtual Currency during the mentioned period,
  
- (m) Compliance with approved scheme(s) of arrangements  
During the year, no scheme of arrangement has been approved by the competent authority In terms of section 230 to 237 of the companies Act, 2013 hence no further disclosure is required.
  
- (n) Corporate Social Responsibility (CSR)  
The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company during the year.

**PROFORMA FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION IN CONNECTION WITH PROPOSED INITIAL PUBLIC OFFERING OF SAHASRA ELECTRONIC SOLUTIONS LIMITED**

**The Board of Directors**

**Sahasra Electronic Solutions Limited**

33, Pocket 1, Jasola Vihar,  
New Friends Colony, South Delhi,  
New Delhi, India, 110025

Dear Sir,

1. We have completed our assurance engagement to report on the compilation of Unaudited Pro forma consolidated Financial Information of Sahasra Electronic Solutions Limited. The Unaudited Pro forma Consolidated Financial Information consists of the Unaudited Pro forma consolidated statement of Assets and Liabilities as at March 31, 2024, the Unaudited Pro forma consolidated statement of profit and loss for the year ended March 31, 2024, and related notes thereon (hereinafter referred as 'Pro forma Consolidated Financial Information') as approved by the Board of Directors of the company at their meeting held on June 22, 2024. The applicable criteria on the basis of which the management has compiled the Pro forma Consolidated Financial Information are specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI Regulations"), as amended from time to time.
2. The Pro forma Consolidated Financial Information has been compiled by Management to show the effect of investment in Sahasra Semiconductors Private Limited made with effect from March 21, 2024, on the Group's financial position as at March 31, 2024 and its financial performance for the year ended March 31, 2024 as if the acquisition had taken place at the beginning of the earliest reported year presented i.e., April 01, 2023.
3. The Information about the Group's financial position and financial performance is compiled from:
  - i) The Restated Standalone Financial Statement of Assets and Liabilities as at March 31, 2024, and Restated Standalone Financial Statement of Profit and Loss for the year ended March 31, 2024.
  - ii) The audited financial statements of M/s Sahasra Semiconductors Private Limited as at and for the ended March 31, 2024 on which PKMB & Co. Chartered Accountants have issued unmodified audit opinion vide their audit report dated April 25, 2024.

**Management's Responsibility for the Pro forma Consolidated Financial Information**

4. The Management is responsible for compiling the Pro forma Consolidated Financial Information on the basis stated in Note 2 to the Pro forma Consolidated Financial Information and the same has been approved by the Board of Directors of the Company. The Management's responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Pro forma Consolidated Financial Information on the basis stated in Note 2 to the Pro forma Consolidated Financial Information that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying and ensuring that the Group complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro forma Consolidated Financial Information.

**Auditor's Responsibilities**

5. Our responsibility is to express an opinion, about whether the Pro forma Consolidated Financial Information of the Group has been compiled, in all material respects, by the Management on the basis stated in Note 2 to the Pro forma Consolidated Financial Information.
6. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Pro forma Consolidated Financial Information on the basis stated in Note 2 to the Pro forma Consolidated Financial Information.
7. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro forma Consolidated Financial Information, nor have we, in the course of this



engagement, performed an audit or review of the Financial Information used in compiling the Pro forma Consolidated Financial Information.

8. The purpose of Pro forma Consolidated Financial Information included in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus (“Draft Offer Document/Offer Document”) is solely to illustrate the impact of combining the financial information of the Group as at March 31, 2024 as if these entities had been undertaken at an earlier date. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at March 31, 2024 would have been, as presented.
9. A reasonable assurance engagement to report on whether the Pro forma Consolidated Financial Information has been compiled, in all material respects, on the basis of stated in note 2 to the Pro forma Consolidated Financial Information, involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the Pro forma Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:
  - a. The related Pro forma adjustments give appropriate effect to those applicable criteria; and
10. The procedures selected depend on the Auditor’s judgment, having regard to the Auditor’s understanding of the nature of the group, the event or transaction in respect of which the Pro forma financial information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the Pro forma Consolidated Financial Information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
11. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

#### **Opinion**

12. In our opinion, the Pro forma Consolidated Financial Information has been compiled, in all material respects, on the basis stated in Note 2 to the Pro forma Consolidated Financial Information.

#### **Restrictions on Use**

13. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report issued by us or other Auditors. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus (“Draft Offer Document/Offer Document”) to be filed with the National Stock Exchange of India Limited and the Registrar of Companies, Haryana & New Delhi in connection with the proposed initial public offering of the Company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

#### **For Kapoor Tandon & Co.**

Chartered Accountants  
FRN : 000952C  
Peer Review no. 016174

Sd/-

**(Devendra S.Mathur)**

M.no.082570

Partner

Date: June 22, 2024

Place: New Delhi

UDIN: 24082570BKHVVP3563

**Notes to Pro Forma Consolidated Financial Information:**

**1. Background**

The Company is engaged in manufacturing of Printed Circuit Boards, LED Lighting Products and USB Flash Storage Devices and also engaged in Training for Skill Development of Electrical & Electronics items. The Company has registered office at House No. - 33, Pocket-I, Jasola, New Delhi – 110025 and is having factory at Noida Special Economic Zone, Noida, Uttar Pradesh–201305.

**2. Basis of Preparation**

The Pro Forma financial information of the company comprising the consolidated Pro Forma statement of asset and liabilities as at March 31, 2024 the consolidated Pro Forma statement of profit and loss for the year ended March 31, 2024 read with the notes to the Pro Forma financial information.

These Pro forma Consolidated Financial Information have been prepared by the management of the Company for the purpose of inclusion in offer document based on the following criteria:

- a) Sahasra Electronic Solutions Limited has acquired Investment in Sahasra Semiconductors Private Limited by further acquisition of 37.02% holding of the above company.
- b) By making a line-by-line consolidation of the financial information as at and for the year ended March 31, 2024.
- c) Using accounting policies as adopted by the Company for the preparation of restated Financial Statement for like transactions and other events in similar circumstances. If a member of the group used accounting policies other than those adopted in the restated financial information for like transactions and events in similar circumstances, appropriate adjustments have been made to that group member's financial statements in preparing the Pro Forma Consolidated Financial Information to ensure conformity with the Group's accounting policies.
- d) Combine like items of assets, equity, liabilities, income and expenses.
- e) Eliminating in full intra group assets and liabilities, income and expenses relating to transactions among entities of the Group.
- f) Company has made Investment in Sahasra Semiconductors Private Limited on various dates during the period April 01, 2024 to June 22, 2024. The company was earlier holding 17.16% equity shares in Sahasra Semiconductors Private Limited as on March 31, 2024, which have been eliminated and additional shares acquired by Sahasra Electronic Solutions Limited is shown as reserves & Surplus and share of others shown as Minority Interest.

The Pro Forma Consolidated Financial Information is based on:

- a) The Restated Standalone Financial Statement of Assets and Liabilities as at March 31, 2024, and Restated Standalone Financial Statement of Profit and Loss for the year ended March 31, 2024 on AS basis of the Company;

These Pro Forma Consolidated Financial Information illustrate the results of operations that would have resulted in the financial statements of the Company pursuant to its investment in Sahasra Semiconductors Private Limited, The Pro Forma adjustments are based upon available information and assumptions that the management of the Group believes to be reasonable. Such Pro Forma Consolidated Financial Information has not been prepared in accordance with generally accepted accounting principles including accounting standards and accordingly should not be relied upon as if it had been carried out in accordance with those principles, standards and practices.

In addition, the rules and regulations related to the preparation of Pro Forma Consolidated Financial Information in other jurisdictions may also vary significantly from the basis of preparation as set out in paragraphs below to prepare these Pro Forma Consolidated Financial Information.

Accordingly, the degree of reliance placed by anyone in other jurisdictions on such Pro Forma Consolidated Financial Information should be limited.

The adjustments made to the Pro Forma Consolidated Financial Information are included in the following section:

**3. Intercompany Elimination:**

Intragroup eliminations have been made in respect of transactions and balances of Sahasra Electronic Solutions Limited and Sahasra Semiconductors Private Limited in the preparation of these Pro Forma Consolidated Financial Information.

Eliminations on account of intragroup balances in the Pro Forma Consolidated Statement of Assets and Liabilities and Pro Forma Consolidated Statement of Profit & Loss as at March 31, 2024 are as follows:

**Intercompany Transactions as on 31.03.2024***(₹ In Lakhs)*

Particulars	Sahasra Electronic Solutions Limited	Sahasra Semiconductors Private Limited	Total
<b>Sales</b>			
Elimination of Sales		18.38	18.38
Elimination in Purchase	18.38		18.38
Interest Income	14.22		14.22
Interest Expenses		14.22	14.22
Loan Given	1125.00		1125.00
Loan Taken		1125.00	1125.00
Trade Receivable		3.09	3.09
Trade Payable	3.09		3.09

**4. Other Adjustment/Working of Minority Interest:***(₹ In Lakhs)*

Particulars	Amount
Value of assets acquired	10867.29
Less – Liabilities acquired	6040.79
<b>Net assets as on March 31, 2024</b>	<b>4826.50</b>
Add – Additional shares issued	370.00
<b>Net assets post allotment of shares</b>	<b>5196.50</b>
Share of net assets acquired	2815.39
Less – Purchase consideration (as per note 1)	3194.34
<b>Goodwill recognized on acquisition</b>	<b>(378.95)</b>
<b>Share of Minority @ 45..82%</b>	<b>2381.11</b>

**Note 1***(₹ In Lakhs)*

Particulars	Amount
Shares acquired prior to March 31, 2024	948.00
Shares acquired post March 31, 2024	2246.34
<b>Total Purchase consideration</b>	<b>3194.34</b>

**PROFORMA CONSOLIDATED STATEMENT OF ASSET AND LIABILITIES**

Particulars	As at March 31, 2024			
	Financial information of Sahasra Electronic Solutions Limited	Financial information of Sahasra Semiconductors Private Limited	Proforma Adjustment	Proforma Consolidated Financial Information
<b>A) Equity and liabilities</b>				
<b>1) Shareholders' funds</b>				
(a) Share capital	1,891.48	5,525.94	(5,525.94)	1,891.48
(b) Reserves and surplus	4140.21	(699.44)	699.44	4140.21
	<b>6031.69</b>	<b>4,826.50</b>	<b>(4,826.50)</b>	<b>6031.69</b>
<b>2) Minority interest</b>	-		<b>2381.11</b>	<b>2381.11</b>
<b>3) Non-current liabilities</b>				-
(a) Long Term Borrowing	-	3,298.24	(1,125.00)	2,173.24
(b) Other long term liabilities	-	-	-	-
(c) Deferred tax Liability (net)	-	-	-	-
(d) Long term provisions	35.96	3.99	-	39.95
	<b>35.96</b>	<b>3,302.23</b>	<b>(1,125.00)</b>	<b>2,213.19</b>
<b>4) Current liabilities</b>				-
(a) Short Term Borrowing	2,171.89	2,152.92	-	4,324.81
(b) Trade payables		-	-	-
Total outstanding dues of micro enterprises and small enterprises	220.96	32.16	-	253.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,535.28	249.49	(3.09)	1,781.68
(c) Other Current Liabilities	680.96	302.80	(27.15)	956.61
(d) Short term provisions	127.62	1.19	-	128.81
	<b>4736.71</b>	<b>2,738.56</b>	<b>(30.24)</b>	<b>7445.03</b>
<b>TOTAL</b>	<b>10804.36</b>	<b>10,867.29</b>	<b>(3600.63)</b>	<b>18071.03</b>
<b>(B) Assets</b>				
<b>1) Non-current assets</b>				
(a) Property, plant and equipment & Intangible assets				
Property, Plant & Equipment	1,336.56	6,818.43	-	8154.99
Intangible Assets	1.60	-	-	1.60
Goodwill	-	-	378.95	378.95
Capital Work in Progress	-	954.72	-	954.72
(b) Non-current Investments	959.00	1.00	(948.00)	12.00
(c) Deferred tax assets (net)	18.24	127.87	-	146.11
(d) Loans & advances	134.08	988.01	-	1122.09
(e) Other non Current Assets	485.97	3.95	-	489.92
	<b>2935.46</b>	<b>8,893.98</b>	<b>(569.05)</b>	<b>11260.38</b>
<b>(2) Current assets</b>				
(a) Current Investments	-		-	-
(b) Trade receivable	2,656.69	60.42	(3.09)	2,714.02
(c) Cash and bank balances	1,710.08	965.25	(1876.34)	798.99
(d) Inventory	2,108.21	211.45	-	2,319.66
(d) Loans & advances	1357.09	672.55	(1,152.15)	877.49
(e) Other current assets	36.83	63.64	-	100.49
	<b>7868.90</b>	<b>1,973.31</b>	<b>(3031.58)</b>	<b>6810.65</b>
<b>TOTAL</b>	<b>10804.36</b>	<b>10,867.29</b>	<b>(3600.63)</b>	<b>18071.03</b>

**PROFORMA CONSOLIDATED STATEMENT OF PROFIT AND LOSS**

Particulars	Financial information of Sahasra Electronic Solutions Limited	Financial information of Sahasra Semiconductors Private Limited	Proforma Adjustment	Proforma Consolidated Financial Information
1) Revenue from operations	10,115.27	244.66	(18.38)	10,341.55
2) Other income	163.52	56.18	(14.22)	205.48
<b>Total revenue</b>	<b>10,278.79</b>	<b>300.84</b>	<b>(32.60)</b>	<b>10,547.03</b>
<b>3) Expenses</b>				
(a) Cost of material Consumed	5,523.54	257.01	(18.38)	5,762.17
(1) Change of Inventory	(213.19)	(27.47)	-	(240.66)
(b) Employee benefits expense	886.22	178.08	-	1,064.30
(c) Finance costs	107.88	240.06	(14.22)	333.72
(d) Depreciation expense	203.32	284.03	-	487.35
(e) Other expenses	351.23	93.25	-	444.48
<b>Total expense</b>	<b>6859.00</b>	<b>1,024.96</b>	<b>(32.60)</b>	<b>7851.36</b>
<b>4) (Loss)/profit before tax</b>	<b>3419.79</b>	<b>(724.12)</b>	<b>-</b>	<b>2695.67</b>
5) Tax expenses				
(a) Current tax	597.51	-	-	597.51
(b) Adjustment. of tax relating to earlier year	-	-	-	-
(c) Deferred tax	(4.39)	(173.59)	-	(177.98)
(d) Mat Credit entitlements	(436.10)	-	-	(436.11)
<b>Total tax expense</b>	<b>157.02</b>	<b>(173.59)</b>	<b>-</b>	<b>(16.58)</b>
<b>6) Profit after tax before minority interest and share of profit of associates</b>	<b>3262.77</b>	<b>(550.53)</b>	<b>-</b>	<b>2712.25</b>
a) Share of Minority	-	(252.25)	-	(252.25)
b) Share of profit/(loss) of associate	-	-	-	-
<b>7) Share of profit/(loss) after tax, minority interest and share of profit of associates</b>	<b>3262.77</b>	<b>(298.28)</b>	<b>-</b>	<b>2964.49</b>
Earnings/(loss) per equity share				
[nominal value of ₹ 10]				
<b>Basic and diluted (in ₹)</b>	<b>18.05</b>			<b>16.40</b>

**OTHER FINANCIAL INFORMATION**

The Audited Financial Statements of our Company as at and for the period/year ended March 31 2024 & March 31 2023 of our Company & as at February 21, 2023 & March 31 2022 of our erstwhile proprietorship (*Sahasra Electronic Solutions*) and their respective Audit reports thereon (Audited Financial Statements) are available at <https://www.seslimited.in/>

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) Red Herring Prospectus; or (iii) prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor BRLM, nor any of their respective Employees, Directors, Affiliates, Agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI (ICDR) Regulations are given below:-

*(All amounts in ₹ Lakhs, unless otherwise stated)*

Particulars	March 31, 2024	March 31, 2023	February 21, 2023	March 31, 2022
	(Company)		(Proprietor)	
Profit After Tax	3,262.77	230.55	1794.56	250.17
Basic & Diluted Earnings per Share (based on Weighted Average Number of Shares)	18.05	1.30	10.11	1.41
Return on Net Worth (%)	54.09%	11.37%	73.70%	16.44%
NAV per Equity Shares (based on no. of share outstanding at the end of year)	31.89	11.28	13.55	8.47
NAV per Equity Shares (based on Weighted Average Number of Shares - With Bonus Effect)	33.37	11.43	13.72	8.57
Earnings before interest, tax, depreciation and amortization (EBITDA)	3,526.58	246.23	1,876.86	377.48

**STATEMENT OF FINANCIAL INDEBTEDNESS**

**To,**  
**The Board of Directors,**  
**Sahasra Electronic Solutions Limited**  
 33, Pocket 1, Jasola Vihar, New Friends Colony,  
 South Delhi, New Delhi, Delhi, India, 110025

**Dear Sirs,**

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of **Sahasra Electronic Solutions Limited** and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 31<sup>st</sup> March , 2024 are mentioned below.

**A. SECURED LOANS**

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

							<i>(₹ In Lakhs)</i>
<b>Name of Lender</b>	<b>Loan/ Agreement A/c No./Ref. No.</b>	<b>Purpose</b>	<b>Sanctioned Amount</b>	<b>Rate of interest</b>	<b>Primary &amp; Collateral Security</b>	<b>Re-Payment Schedule</b>	<b>Outstanding amount as on 31.03.2024</b>
Citi Bank NA 9 <sup>th</sup> Floor DLF Square, M- Block, Jacaranda Marg, Phase II, DLF City, Gurgaon, Haryana, India	19/03/2024	Pre-shipment/ Post Shipment  Cash Credit  WCDL  Bill discounting	5500.00	1.60%+SOFAR  9%  8.75%  8.75%	An exclusive Charge on Current Assets (Stock and Book debts) of the Borrower. A second Paripassu Charge on Land and Building situated at leasehold land and building located at Plot 68-AA, NSEZ, Noida Phase II, Dist. Gautam Buddha Nagar, UP (first Pari passu being held by Noida SEZ) owned by M/s Sahasra Electronic Solutions .Personal Guarantee of Mr. Arnrit La1 Manwani	NA	2171.89
<b>TOTAL (Fund based)</b>							<b>2171.89</b>

**B. UNSECURED LOANS- FROM OTHERS**

(₹ In Lakhs)

Name of Lender	Loan/ Agreement A/c No./Ref. No	Purpose	Sanctioned Amount	Rate of Interest	Re-Payment Schedule	31.03.2024
-	-	-	-	-	-	-

For, Kapoor Tandon & Co.  
Chartered Accountants,  
FRN: 000952C

Devendra S. Mathur  
(Partner)  
M. No. 082570  
Place: New Delhi

Date: June 11, 2024  
UDIN-24082570BKHVVJ1186



## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled "Financial Information of the Company" beginning on page 142 of this Draft Red Herring Prospectus. You should also read the section titled "Risk Factors" on page 25 and the section titled "Forward Looking Statements" on page 18 of this Draft Red Herring Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated May 23, 2024, which is included in this Draft Red Herring Prospectus under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

### **BUSINESS OVERVIEW**

Our Company is an EN 9100:2018 (equivalent to AS 9100D and JISQ 9100:2016, including ISO 9001:2015) certified company, which is engaged in the business of providing solutions towards electronics system design and manufacturing ("ESDM") services at its manufacturing plant located at 68AA, NSEZ, Nepz Post Office, Gautam Buddha Nagar, Noida, Uttar Pradesh - 201305, which is equipped with four high speed SMT lines having a total capacity of around 1800000 units. We provide product and solutions right from printed circuit board ("PCB") assembly, Box Build, LED lighting. Memory, IT accessories, computer and IT hardware. We have made export of over 80% of our products and solutions during the FY 2024 to certain global manufacturers located in countries like United States of America, Rwanda, Tunisia, United Kingdom, Germany, Canada, Austria & Belgium.

Our current product portfolio may be categorized as follows:

1. Printed circuit board assemblies ("PCBA"): Our PCBAs are used in products manufactured in the automotive, medical, industrial, IT and consumer products industries, and shall include box-build products such as laptop and tablets;
2. LED Lighting solutions, which include LED Chip – the source of the lightning, power supply or the driver, printed circuit board for LED's, housing or the frame.
3. Computer and IT accessories, which include motherboards, DRAM modules, solid state drives (SSD), USB drives and other memory products and IT accessories.

Our Promoter and Managing Director, Amrit Lal Manwani, was earlier undertaking the business of trading of diesel as a sole proprietorship concern in the name of Northern Petroleum Company, which later entered into the business of PCB assembly during the FY2021 under the name of Sahasra Electronic Solutions, which was during the year 2023 acquired by our Company on a going concern basis. Further, we have during the FY 2024-25, acquired controlling stake in Sahasra Semiconductor Private Limited, which became the subsidiary of our company, having a Semiconductor Packaging Facility at Bhiwadi, Rajasthan which is engaged in the manufacturing of electronic components like integrated circuits, chips, semiconductor devices, eMMC, mSD, COBs, COB based USBs, LED drivers IC, BGA, NAND flash & memory products. Also, we sell our LED lighting solutions to Sahasra Electronics Rwanda Private Limited, which is a subsidiary of our group company Sahasra Electronics Private Limited, which further sell these LED lighting solutions to countries like Rwanda etc.

We operate through our manufacturing facility situated at 68AA, NSEZ, Noida, Uttar Pradesh, which is located in a Special Economic Zone. Our manufacturing facilities include engineered layout with process controls and necessary automations for quality and productivity. This allows us to keep our core competencies within our Company, allowing us to ensure strict quality control and safety at each step of our manufacturing process. Our manufacturing facilities comprises of four SMT lines equipped with machines including RMTS high speed clip machine, surface mount technology ("SMT") machines, lead free wave soldering machine, PCBA router, high speed compact modular moulder, reflow oven and surface cleaning machines. Additionally, we have also installed quality inspection machines such as high speed PWB inspection, PWB Visual inspection and X-Ray inspection machines to ensure the high standards of product quality. Our manufacturing facility is staffed with a workforce of approximately 160 employees, as of March 31, 2024 which includes a team of around 35 engineers dedicated to enhancing our operational efficiency.

The components required for PCB Assembly or box build assembly are either imported or sourced from local suppliers and then assembled at our manufacturing facilities. Our manufacturing capabilities have enabled us to address our consumers' diverse needs, enhance existing products with emerging technologies, develop of new products and optimize costs across our products range through value analysis and value engineering. We are an EN 9100:2018 certified company (equivalent to AS 9100D and JISQ 9100:2016, including ISO 9001:2015) for Quality Management System for manufacturing of PCB assemblies. Our in-house R&D team, in addition to undertaking electronics hardware designing, system architecture, mechanical design, component engineering and optics design, also assists our customers in cost reduction through product engineering. This enables us to address consumer requirements across geographies and enhance existing products with emerging technologies.

Our Company has on June 15, 2023 entered into an agreement for a term of 3 years with a company engaged into the business of designing and marketing of hardware and software products like laptops, tablets, servers and IT peripherals for the supply of laptops, tablets, motherboards and related PCBA's as per the specification and purchase orders placed by the customer from time to time.

We have developed long relationships with certain of our customers through a client servicing model which aims to provide integrated solutions, robust manufacturing capabilities and delivering quality products on time. For better quality and customer satisfaction we entrench with the customers from the conception of their product, and subsequently move up the value chain with them by leveraging our integrated offerings. In addition to maintaining our relationships with existing customers, we have increased our key customer base over time from around 20 customers in Fiscal 2022 to around 40 customers in Fiscal 2024. Over the years, we have established a diversified client base across multiple end-use industries Railways, Aerospace, Marine, Automobile, Healthcare, IT Hardware etc., which help us minimize customer's concentration risk.

We are led by our Promoters who have significant experience in the ESDM industry. Our promoter & Managing Director, Amrit Lal Manwani is an engineering graduate from IIT Kanpur & MBA from FMS, Delhi University. He has worked with many companies engaged in the electronic manufacturing services industry for about 20 years, before he began his entrepreneurial journey. Varun Manwani, our Promoter and Non-executive Director is an economics graduate and is responsible for the growth and expansion plans of the company, Arunima Manwani, our Promoter and Whole-time Director is a commerce graduate and looks after the creating and formulation of strategic business plans, research & development and track technology advancements. Under their leadership we have been able to expand our operations and have established a significant presence in India and abroad. We also have a qualified and experienced team who have along with our management have demonstrated its ability to anticipate and capitalize on changing market trends, manage and grow our operations and leverage and deepen customer relationships.

### Key Performance Indicators of our Company

(₹ In Lakhs except percentages and ratios)

Particulars	As of and for the year/period ended			
	March 31, 2024	February 22, 2023 to March 31, 2023	April 1, 2022 to February 21, 2023	March 31, 2022
Revenue from Operations <sup>(1)</sup>	10115.27	1043.1	5865.23	2175.65
EBITDA <sup>(2)</sup>	3526.58	246.23	1876.88	377.48
EBITDA Margin <sup>(3)</sup>	34.86%	23.61%	32.00%	17.35%
Profit After Tax (PAT)	3262.77	230.55	1794.56	250.17
PAT Margin <sup>(4)</sup>	32.26%	22.10%	30.60%	11.50%
ROE <sup>(5)</sup>	54.09%	11.37%	73.70%	16.44%
ROCE <sup>(6)</sup>	42.50%	9.11%	56.81%	16.30%

#### Notes:

<sup>(1)</sup>Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

<sup>(2)</sup>EBITDA is calculated as Profit before tax + Depreciation + Interest Cost - Other Income

<sup>(3)</sup> 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

<sup>(4)</sup> 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

<sup>(5)</sup>Return on Equity is ratio of Profit after Tax and Shareholder Equity

<sup>(6)</sup>Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus total borrowings {current & non-current}.

### STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to **Annexure IV** of **Restated Financial Statements** beginning on page 142 of this Draft Red Herring Prospectus.

### Factors Affecting our Results of Operations

1. General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
2. Reduction or elimination of tax exemptions given to units functioning in Special Economic Zones.
3. Our ability to effectively manage the operations of and costs associated with our manufacturing facilities
4. Any change in government policies resulting in increases in taxes payable by us;
5. We rely on the continued operations of our manufacturing facilities and any slowdown, shutdown or disruption in our manufacturing facilities may be caused by natural and other disasters causing unforeseen damages which may lead to disruptions in our business and operations could have an adverse effect on our business, results of operations, financial condition and cash flows;
6. Our ability to retain our managements personnel and other employees;

7. Foreign exchange fluctuations may adversely affect our earnings and profitability;
8. Failure to comply with quality standards may lead to cancellation of existing and future orders;
9. General economic, political and other risks that are out of our control;
10. Company's ability to successfully implement its growth strategy and expansion plans;
11. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
12. Our dependency on our R&D activities for our future success; and
13. Any adverse outcome in the legal proceedings in which we are involved.

### Discussion on Result of Operations

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the period/year ended on March 31 2024 & March 31 2023 of our Company & as at February 21, 2023 & March 31 2022 of our erstwhile proprietorship (*Sahasra Electronic Solutions*).

(All amounts in ₹ in Lakhs, unless otherwise stated)

PARTICULARS	For the period/year ended on					
	March 31, 2024	% of Total Income	March 31, 2023*	% of Total Income	March 21, 2022	% of Total Income
Revenue From Operations	10115.27	98.41	6908.33	97.76	2175.65	98.32
Other Income	163.52	1.59	158.50	2.24	37.15	1.68
<b>Total Revenue</b>	<b>10278.79</b>	<b>100.00</b>	<b>7066.83</b>	<b>100.00</b>	<b>2212.80</b>	<b>100.00</b>
Expenses						
Cost of Material Consumed	5523.54	53.74	4432.82	62.73	1633.82	73.83
Purchase of Stock in trade	0.00	0.00	0.00	0.00	0.00	0.00
Change of Inventories of Work in progress and finished goods	(213.19)	(2.07)	(482.81)	(6.83)	(64.12)	(2.90)
Employee Benefit Expenses	886.22	8.62	390.18	5.52	130.11	5.88
Finance Costs	107.88	1.05	52.96	0.75	17.35	0.78
Depreciation and Amortization Expenses	203.32	1.98	197.00	2.79	161.56	7.30
Other Expenses	351.23	3.42	429.25	6.07	89.31	4.04
<b>Total Expenses</b>	<b>6859.00</b>	<b>66.73</b>	<b>5019.40</b>	<b>71.03</b>	<b>1968.03</b>	<b>88.94</b>
<b>Profit/(Loss) Before Tax</b>	<b>3419.79</b>	<b>33.27</b>	<b>2047.44</b>	<b>28.97</b>	<b>244.77</b>	<b>11.06</b>
Tax Expense:						
Current Tax	597.51	5.82	355.86	5.04	40.86	1.85
Deferred Tax	(4.39)	(0.04)	(6.46)	(0.09)	(9.87)	(0.45)
MAT Credit entitlements	(436.10)	(4.24)	(327.07)	(4.63)	(36.39)	(1.64)
<b>Total</b>	<b>157.02</b>	<b>1.54</b>	<b>22.33</b>	<b>0.32</b>	<b>(5.40)</b>	<b>(0.24)</b>
<b>Profit/(Loss) for the Year</b>	<b>3262.77</b>	<b>31.73</b>	<b>2025.11</b>	<b>28.65</b>	<b>250.17</b>	<b>11.31</b>

\*Includes balances for period February 22, 2023 for the proprietorship concern and period March 31, 2023 for the Company.

### Revenue from operations:

Revenue from operations mainly consists of revenue from sale of PCB Assembly, LED lighting solutions and IT hardware, memory and server solutions.

### Other Income:

Other income primarily comprises of foreign currency transaction gain, balance written off, interest earned, other miscellaneous income from sale of MEIS license.

### Total Expenses:

Total expenses consist of operating cost like Cost of Material consumed, Change in inventories of finished goods, work in progress and stock in trade, Employee benefits expense, Finance costs, Depreciation and amortization expenses and other expenses.

### Cost of Material consumed

Cost of Material consumed expenses primarily comprises of Purchase of raw material, and change in stock of raw material.

### **Change in inventories of finished goods, work in progress and stock in trade**

Change in inventories of finished goods, work in progress and stock in trade comprises of increase/ (decrease) in stock of finished goods.

### **Employee benefits expense:**

Employee benefits expense primarily comprises of Salaries, wages & bonus expenses, Staff welfare expenses, labour welfare fund and Employers Contribution to ESI, PF and Gratuity.

### **Finance Costs:**

Our finance cost includes Interest expenses and Bank charges.

### **Depreciation and Amortization Expenses:**

Depreciation includes depreciation on plant & machinery, furniture and fixtures, office equipment, computer, factory building, vehicle and computer software.

### **Other Expenses:**

Other Expenses consists of audit fees, office and administration expenses, rates & taxes, rent, labour charges, power and fuel, repair and maintenance, business promotion expenses, other business administrative expenses like freight, custom duty, insurance charges, import charges, printing and stationery, professional fee, telephone expenses, training & certification and research & development etc.

## **FINANCIAL PERFORMANCE HIGHLIGHTS FOR THE YEAR ENDED MARCH 31, 2024**

### **Total Income:**

Total income for the year ended March 31, 2024 stood at ₹ 10278.79 Lakhs. The total income consists of revenue from operations and other income.

### **Revenue from Operations**

During the year ended March 31, 2024 the net revenue from operation of our Company was ₹ 10115.27 Lakhs from sale of manufactured goods which included sale of PCB Assembly, LED lighting solutions and IT hardware, memory and server solutions.

### **Other Income:**

During the year ended March 31, 2024 the other income of our Company stood at ₹ 163.52 Lakhs. The main components of the other income primarily comprises of foreign currency transaction gain & interest income.

### **Total Expenses**

Total expenses consist of cost like cost of material consumed, change in inventories of finished goods, work in progress and stock in trade, employee benefits expense, finance costs, depreciation and amortization expenses and other expenses. During the year ended March 31, 2024 the total expenses of our Company stood at ₹ 6859.00 Lakhs.

### **Cost of Material consumed**

During the year ended March 31, 2024 the Cost of Material consumed expenses of our Company stood at ₹ 5523.54 Lakhs. Our Cost of Material consumed expenses primarily comprises of Purchase of material and other attributable costs related to purchase of raw material.

### **Change in inventories of finished goods and work in progress**

During the year ended March 31, 2024 the change in inventories of finished goods, work in progress and stock in trade of our Company stood at ₹ 213.19 Lakhs. Our Change in inventories of finished goods, work in progress and stock in trade comprises of increase/(decrease) in finished goods.

### **Employee benefits expense:**

During the year ended March 31, 2024 the employee benefit expenses of our Company stood at ₹ 886.22 Lakhs. The main components of the employee benefit expenses are Salaries & wages.

**Finance Costs:**

During the year ended March 31, 2024 the finance cost expenses of our Company stood at ₹ 107.88 Lakhs. Our finance cost includes Interest expenses and Bank charges

**Depreciation and Amortization Expenses:**

During the year ended March 31, 2024 the Depreciation and amortization charges of our Company stood at ₹ 203.32 Lakhs, during the period the company has capitalized the fixed assets amounting to ₹ 485.17 lakhs including Land, plant and machinery.

**Other Expenses:**

During the year ended March 31, 2024 the other Expenses of our Company stood at ₹ 351.23 Lakhs Other Expenses consists of audit fees, office and administration expenses, rates & taxes, rent, labour charges, power and fuel, repair and maintenance, business promotion expenses, other business administrative expenses like freight, custom duty, insurance charges, import charges, printing and stationery, professional fee, telephone expenses, training & certification and research & development etc.

**Restated Profit before tax:**

The Company reported Restated profit before tax for year ending March 31, 2024 of ₹ 3419.79 Lakhs.

**Restated profit after tax:**

The Company reported Restated profit after tax for year ending March 31, 2024 of ₹ 3262.77 Lakhs.

**FINANCIAL YEAR 2024 COMPARED TO FINANCIAL YEAR 2023**

**Total Income:**

Total income for the financial year 2023-24 stood at ₹ 10278.79 Lakhs whereas in Financial Year 2022-23 the same stood at ₹ 7066.83 Lakhs representing an increase of 45.45%. The increase in revenue was due to increase in business operations in the company. The revenue from operations of the company increased from ₹ 6908.33 lakhs in the FY2023 to ₹ 10115.27 lakhs in the FY2024 representing an increase 46.42% due to increase in the demand from both the export market and the domestic market. The export of the company grow from ₹ 6803.39 lakhs in FY2023 to ₹ 8503.97 lakhs in FY2024 and the domestic sales of the company increased from ₹ 106.14 lakhs in FY2023 to ₹ 1671.63 lakhs in FY2024. Further, the other income of the company also grown from ₹ 158.50 lakhs in FY2023 to ₹ 163.52 lakhs in FY2024 representing an increase of 3.17%.

**Revenue from Operations**

During the financial year 2023-24 the net revenue from operation of our Company increased to ₹ 10115.27 Lakhs as against ₹ 6908.33 Lakhs in the Financial Year 2022-23 representing an increase of 46.42%. The main reason of increase was due to increase in the demand from both the export market and the domestic market. The export of the company grow from ₹ 6803.39 lakhs in FY2023 to ₹ 8503.97 lakhs in FY2024 and the domestic sales of the company increased from ₹ 106.14 lakhs in FY2023 to ₹ 1671.63 lakhs in FY2024.

**Other Income:**

During the financial year 2023-24 the other income of our Company increased to ₹ 163.52 Lakhs as against ₹ 158.50 lakhs in the Financial Year 2022-23 representing an increase of 3.17% due to increase in foreign currency transaction gains which was ₹ 125.45 lakhs and the interest earned was around ₹ 27.64 lakhs.

**Total Expenses**

The total expense for the financial year 2023-24 increased to ₹ 6859 Lakhs from ₹ 5019.40 lakhs in the Financial Year 2022-23 representing an increase of 36.65%, the major reason for increase in total expenses was increase in cost of material consumed by 24.60%, Employee benefit cost by 127.14% and finance cost by 103.70%.

**Cost of material consumed**

The Cost of material consumed for the financial year 2023-24 increased to ₹ 5523.54 lakhs from ₹ 4432.84 lakhs in the Financial Year 2022-23 representing increase of 24.60%. Such increase was due to increase in business operations of the Company and increase in the capacity utilization of the company from 42.06% in the FY2023 to approximately 55.00% in the FY2024. Further,

the company was also able to improve the material to sales ratio from 57.18% in the FY2023 to 52.50% in FY2024 pursuant to better price negotiation from suppliers due to increase in quantities ordered.

#### **Change in inventories of finished goods and work in progress**

The closing inventories of finished goods and work in progress for the financial year 2023-24 was to ₹ (213.19) lakhs as compared to ₹ (482.81) lakhs in the Financial Year 2023-24.

#### **Employee benefits expense:**

Our Company has incurred ₹ 886.22 Lakhs as Employee benefits expense during the financial year 2023-24 as compared to ₹ 390.18 Lakhs in the financial year 2022-23. The reason for increase in expenses was due to an increase in Director remuneration by ₹ 294 lakhs and increase in Salaries and wages by 50.61% and increase in contribution to provident and other funds by 43.43% due to the increase in the operations of our Company.

#### **Finance Cost**

Our Company has incurred ₹ 107.88 Lakhs as Finance cost expense during the financial year 2023-24 as compared to ₹ 52.96 Lakhs in the financial year 2022-23. The increase of 103.70% was due to increase in interest on loan, finance and bank charges. The loan amount outstanding as on March 31, 2024 increased to ₹ 2171.89 lakhs from ₹ 689.84 lakhs as on March 31, 2023.

#### **Depreciation and Amortization Expenses:**

Depreciation for the financial year 2023-24 stood at ₹ 203.32 Lakhs as against ₹ 197.00 Lakhs during the financial year 2022-23. The increase in depreciation was around 3.21% in comparison to the previous year.

#### **Other Expenses:**

Our Company has incurred ₹ 351.23 Lakhs during the Financial Year 2023-24 on other expenses as against ₹ 429.25 Lakhs during the financial year 2022-23. There was a decrease 18.18% mainly due to decrease in Freight expenses incurred by the company and the consultation and professional charges incurred by the company.

#### **Restated profit before tax:**

Net profit before tax for the financial year 2023-24 increased to ₹ 3419.79 Lakhs as compared to ₹ 2047.44 Lakhs in the financial year 2022-23. The increase was majorly due to factors as mentioned above. Further, the PBT margins of the company for the FY2024 were 33.81% as against 29.64% in the FY2023.

#### **Restated profit for the year:**

As a result of the foregoing factors, our profit after tax for the year increased to net profit of ₹ 3262.77 Lakhs in financial year 2023-24 from profit after tax of ₹ 2025.11 lakhs in financial year 2022-23. Consequently, our PAT Margin increased to 32.26% in financial year 2023-24 from the net profit margins of 29.31% in financial year 2022-23.

### **FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022**

#### **Total Income:**

Total income for the financial year 2022-23 stood at ₹ 7066.83 Lakhs whereas in Financial Year 2021-22 the same stood at ₹ 2212.80 Lakhs representing an increase of 219.36%. The main reason of increase was increase in the volume of business operations of the company due to which the revenue from the sale of products increased to ₹ 6908.33 Lakhs as against ₹ 2175.65 Lakhs in the Financial Year 2021-22 representing an increase of 217.53% and the other income of the company increased from ₹ 37.15 lakhs in FY2022 to ₹ 158.50 lakhs in FY2023.

#### **Revenue from Operations**

During the financial year 2022-23 the net revenue from operation of our Company increased to ₹ 6908.33 Lakhs as against ₹ 2175.65 Lakhs in the Financial Year 2021-22 representing an increase of 217.53%. The main reason of increase was due to increase in the demand from both the export market and the domestic market. The export of the company grow from ₹ 2038.30 lakhs in FY2023 to ₹ 6803.39 lakhs in FY2024 and the domestic sales of the company was around ₹ 131.82 lakhs in FY2023 against ₹ 106.14 lakhs in FY2024.

#### **Other Income:**

During the financial year 2022-23 the other income of our Company increased to ₹ 158.50 Lakhs as against ₹ 37.15 lakhs in the Financial Year 2021-22 representing an increase of 326.65% which was due to increase in the foreign currency gain which increased to ₹ 128.30 lakhs in FY2023 as compared to ₹ 31.31 lakhs in FY2022, the interest income increased from ₹ 1.35 lakhs in FY2022 to ₹ 8.07 lakhs in FY2023, also the miscellaneous income of the company stood at ₹ 19.38 lakhs in FY2023.

#### **Total Expenses**

The total expense for the financial year 2022-23 increased to ₹ 5019.40 Lakhs from ₹ 1968.03 lakhs in the Financial Year 2021-22 representing an increase of 155.05%, the major reason for increase in total expenses was increase in cost of material consumed by 171.32%, Employee benefit cost by 199.88% and finance cost by 205.24%.

#### **Cost of material consumed**

The Cost of material consumed for the financial year 2022-23 increased to ₹ 44.32.84 lakhs from ₹ 1633.82 lakhs in the Financial Year 2021-22 representing an increase of 171.32%. Such increase was due to increase in business operations of the Company and increase in the capacity utilization of the company to 42.06% in the FY2023 from approximately 30.20% in the FY2022. Further, the company also increased its installed capacity during FY2022-23 from 11.04 lakhs units to 18 lakh units and also improve the material to sales ratio from 72.15% in the FY2022 to 57.18% in FY2023. The main reason for higher material to turnover ratio during the FY2022 were scarcity in the availability of raw material requirement because of the pandemic situation in different parts of the world.

#### **Change in inventories of finished goods and work in progress**

The closing inventories of finished goods and work in progress for the financial year 2022-23 was ₹ (482.81) lakhs as compared to ₹ (64.12) lakhs in the Financial Year 2021-22.

#### **Employee benefits expense:**

Our Company has incurred ₹ 390.18 Lakhs as Employee benefits expense during the financial year 2022-23 as compared to ₹ 130.11 Lakhs in the financial year 2021-22. The increase of 199.88% was due to increase in the salary payable to employees by approximately 175.53% and the increase in the provision for gratuity and leave encashment.

#### **Finance Cost**

Our Company has incurred ₹ 52.96 Lakhs as finance cost during the financial year 2022-23 as compared to ₹ 17.35 Lakhs in the financial year 2021-22. The increase of 205.24% was due to increase in borrowings during the FY2023 as compared with FY2022.

#### **Depreciation and Amortization Expenses:**

Depreciation for the financial year 2022-23 stood at ₹ 197.00 Lakhs as against ₹ 161.56 Lakhs during the financial year 2021-22. The increase in depreciation was around 21.94% which was due to increase in the capitalization during the period.

#### **Other Expenses:**

Our Company has incurred ₹ 429.25 Lakhs during the Financial Year 2022-23 on other expenses as against ₹ 89.31 Lakhs during the financial year 2021-22. There was an increase of 155.05% mainly due increase in the freight outwards expenses, consultancy and professional charges incurred etc.

#### **Restated profit before tax:**

Net profit before tax for the financial year 2022-23 increased to ₹ 2047.44 Lakhs as compared to ₹ 244.77 Lakhs in the financial year 2021-22. The increase of 736.48% was majorly due to factors as mentioned above. Further, the PBT margins of the company for the FY2023 were 29.64% as against 11.25% in the FY2022 due to improvement in the material to sales ratio and other expenses incurred by the Company.

#### **Restated profit for the year:**

As a result of the foregoing factors, our profit after tax for the year increase by 709.49% from net profit of ₹ 2025.11 Lakhs in financial year 2021-22 to net profit ₹ 250.17 lakhs in financial year 2022-23. Consequently, our PAT Margin expanded to 29.31% in financial year 2022-23 from 11.50% in financial year 2021-22 due to revenue increasing more in comparison with the other fixed expenses and improvement in the material to sales ratio.

**Information required as per Item (II)(C)(iv) of Part A of Schedule VI to the SEBI Regulations:**

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

**1. Unusual or infrequent events or transactions**

There has not been any unusual trend on account of our business activity. Except as disclosed in this Draft Red Herring Prospectus, there are no unusual or infrequent events or transactions in our Company.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations.**

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.**

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 25 of the Draft Red Herring 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 25, 95 and 214 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

**5. Segment Reporting**

Our company operates in a single product segment. For details on geographical segment please refer “**Annexure IV**” forming part of “**Financial Information of the Company**” on page 142 of the Draft Red Herring Prospectus.

**6. Status of any publicly announced New Products or Business Segment**

Except as disclosed in the Chapter “**Our Business**” on page 95 of the Draft Red Herring Prospectus, 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 87 and 95, respectively of this Draft Red Herring Prospectus.

**8. Dependence on single or few customers**

As on date of this Draft Red Herring Prospectus, we are dependent on few or limited number of customers. For the fiscals 2024, 2023 and 2022, our top ten customers contributed to 95.78%, 89.15% and 99.74% of our revenue from operations. Further, during the fiscal 2024, 2023 and 2022, the sales of our products to our promoter group and Group Company, contributed to approximately 62.99%, 61.09% and 95.09% of our revenue from operations. For further details refer chapter titled “**Risk Factors**” beginning on pages 25 of this Draft Red Herring Prospectus.

**9. Competitive conditions**

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on pages 87 and 95 respectively of this Draft Red Herring Prospectus.

**10. Details of material developments after the date of last balance sheet i.e. March 31, 2024**

After the date of last Balance sheet i.e. March 31, 2024, the following material events have occurred after the last audited period –

- 1) We have passed a Resolution in the meeting of Board of Directors dated April 09, 2024 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
- 2) We have passed a special resolution in the Extra-ordinary General meeting dated May 13, 2024 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
- 3) Our Company has approved the Restated Financial Statements for the period/year ended on March 31 2024 & March 31 2023 of our Company & as at February 21, 2023 & March 31 2022 of our erstwhile proprietorship (*Sahasra Electronic Solutions*) vide Board meeting dated June 11, 2024.
- 4) Our Company has approved the Draft Red Herring Prospectus vide resolution in the Board Meeting dated June 25, 2024.



**CAPITALISATION STATEMENT**

(₹ in Lakhs)

Particulars		Pre-Issue as at March 31, 2024	Post-Issue
<b>Borrowings</b>			
Short Term Debt	(A)	2171.89	*
Long Term Debt	(B)	0.00	*
<b>Total Debt</b>	<b>(C=A+B)</b>	<b>2171.89</b>	<b>*</b>
<b>Shareholders' Fund (Equity)</b>			
Share Capital	(E)	1,891.48	*
Reserves & Surplus	(F)	4140.21	*
<b>Total Shareholders' Fund (Equity)</b>	<b>(G=E+F)</b>	<b>6031.68</b>	<b>*</b>
<b>Long term debt / shareholders' funds (in ₹)</b>	<b>(B/G)</b>	0.00	*
<b>Total debt / shareholders' funds (in ₹)</b>	<b>(C/G)</b>	0.36	*

\*The Corresponding post issue figure are not determinable at this stage, due to pendency of public issue, hence not furnished.

## Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and includes instalment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short-term Debts as defined above excluding instalment of term loans repayable within 12 months grouped under short term borrowings
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at March 31, 2024.

**SECTION VII – LEGAL AND OTHER INFORMATION**

**OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as stated below there are no outstanding (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) outstanding claims relating to direct and indirect taxes and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below); or (v) Material Litigation involving our Group Company which has a material impact on our Company. For the purposes of (iv) above in terms of the Materiality Policy adopted by a resolution of our Board dated May 23, 2024.*

*Any pending litigation or arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving our Company, Directors, Group company and Promoters shall be considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if:*

- a) the aggregate monetary claim made by or against the Company, Directors, Group Company or Promoters, as the case may be, in any such pending litigation or arbitration proceeding is in excess of 1% of profit after tax of the Company, as per the last audited standalone financial statements of the Company; or*
- b) in such litigation the monetary liability is not quantifiable, or which does not fulfill the threshold specified in (a) above, but the outcome of which could, nonetheless, have a material impact on the business, operations, prospects, or reputation of our Company,*

*have been considered “material” and accordingly have been disclosed in this Draft Red Herring Prospectus.*

*For the purposes of the above, pre-litigation notices received (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum. Except as stated in this section, there are no outstanding material dues to creditors of our Company. Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of 5.00% of the Company’s trade payables for the last audited standalone financial statements shall be considered as material dues for the Company.*

**A. LITIGATION INVOLVING TO THE COMPANY:**

**a) Criminal proceedings against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against by the company.

**b) Criminal proceedings filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Company.

**c) Other pending material litigations against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

**d) Other pending material litigations filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the company, which have been considered material by the Company in accordance with the Materiality Policy.

**e) Actions by statutory and regulatory authorities against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

**B. LITIGATION INVOLVING TO DIRECTORS & PROMOTERS OF THE COMPANY:**

**a) Criminal proceedings against the Directors & Promoters of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against by the Promoters & Directors of the company.

**b) Criminal proceedings filed by the Directors & Promoters of the company**

- i. CRL MC 463/2020: Abhilasha Gaur & Anr. V. State of NCT of Delhi & Anr. facts of the case are as below:**

A criminal miscellaneous complaint bearing no. CRL MC 463/2020 is filed by our director, i.e. Abhilasha Gaur & Anr. (“Petitioners”) against State of NCT of Delhi & Anr. (“Respondents”). The application was filed for quashing of FIR registered by Respondent No.2, as a counterblast to the allegations/complaint of financial fraud discovered by Petitioners during her course of employment at the organization where our director is Chief Operating Officer, it was discovered that she has committed the fraud at the organization which lead the organization to suffer a wrongful loss of ₹ 12.15 Lakhs. The fraud is even accepted by the Respondent No.2 in her reply to show-cause notice dated June 10, 2022. That the FIR filed by her also does not mention anywhere regarding denial of such fraud, and hence the present petition was filed to dismiss and quash the FIR. The case is currently pending for adjudication before the Hon’ble Court, and the next date of hearing is September 02, 2024.

**c) Other pending material litigations against the Directors & Promoters of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**d) Other pending material litigations filed by the Directors & Promoters of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the Promoters & Directors, which have been considered material by the Company in accordance with the Materiality Policy.

**e) Actions by statutory and regulatory authorities against the Directors & Promoters of the company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Promoters & Directors.

**C. LITIGATIONS INVOLVING THE SUBSIDIARY OF THE COMPANY I.E. SAHASRA SEMICONDUCTORS PRIVATE LIMITED**

**a) Criminal proceedings against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against by the company.

**b) Criminal proceedings filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Company.

**c) Other pending material litigations against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated against the Company, which have been considered material by the Company in accordance with the Materiality Policy.

**d) Other pending material litigations filed by the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the company, which have been considered material by the Company in accordance with the Materiality Policy.

**e) Actions by statutory and regulatory authorities against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Company.

**D. LITIGATIONS INVOLVING THE GROUP COMPANIES OF THE COMPANY**

**a) Criminal proceedings against the Group Companies**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings against by the Group Companies.

**b) Criminal proceedings filed by the Group Companies**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Group Companies.

**c) Other pending material litigations against the Group Companies**

- i) A civil suit bearing no. CS SCJ/13/2021 was filed by M/s. Advanide Holdings PTE Limited (“**Plaintiff**”) against M/S Megma RFID and Labels Private Limited (“**our Group Company**”) before Ld. Commercial Court, Gautam Buddha Nagar, Noida (“**Ld. Court**”). Our Group Company entered into a mutual agreement for the purchase of goods manufactured by the Plaintiff Company on credit basis. The amount claimed by plaintiff as due amount for our Group Company is ₹ 54.51 Lakhs along with 8% interest. The case is currently pending for adjudication before the Ld. Court.

**d) Other pending material litigations filed by the Group Companies**

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigations initiated by the Group Companies, which have been considered material by the Company in accordance with the Materiality Policy.

**e) Actions by statutory and regulatory authorities against the Group Companies**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by statutory or regulatory authorities initiated against the Group Companies.

**E. TAX PROCEEDINGS**

Nature of Proceedings	Number of cases	Amount involved (₹ in lakhs)
<b>Of the company</b>		
Direct Tax (Income Tax)	Nil	Nil
Indirect Tax	Nil	Nil
<b>Of the Directors &amp; Promoters</b>		
Income Tax	Nil	Nil
<b>Of the Subsidiary Company</b>		
Direct Tax (Income Tax)	Nil	Nil
Indirect Tax	Nil	Nil
<b>Of the Group Companies</b>		
Direct Tax (Income Tax)	Nil	Nil
Indirect Tax	2*	692.01

- \* i) *Infopower Technologies Private Limited- Demand Raised under Section 73(1) of the CGST Act, 2017 for AY 2018\*19- Notice for mismatch of taxable turnover dated December 22, 2023 amounting to ₹ 654.57 Lakhs where the group company has filed a response stating that the difference is because of typographical/ clerical error which is needed to be rectified, although the tax liability shown in GSTR-3B & 9 for actual amount.*
- ii) *Megma RFID and Labels Private Limited- Demand Raised under Section 74 of the CGST Act, 2017 for AY 2019-20- Show cause notice dated February 18, 2022 issued by the GST Department for non-payment/ short payment of tax stating demand of ₹ 37.44 Lakhs our group company is yet to file a reply to the same.*

**F. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS:**

The Board of Directors of our Company considers dues exceeding 5% of our Company’s total Trade payables as per Restated financial statements, to small scale undertakings and other creditors as material dues for our Company. Our Board of Directors considers dues owed by our Company to the creditors exceeding 5% of the Company’s trade payables as per the last restated financial statements as material dues for the Company. The trade payables for the year ended on March 31, 2024 were ₹ 1,756.25 lakhs. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹ 87.81 Lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on May 23, 2024. Based on these criteria, details of outstanding dues owed as on March 31, 2024 by our Company on are set out below:

(₹ in lakhs)

Type of Creditors	Number of Creditors	Amount involved
Micro, small and medium enterprises	27	220.96
Material Creditors	87	1,479.54
Other Creditors	13	55.75
<b>Total</b>	<b>127</b>	<b>1,756.26</b>

**G. MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE:**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 214 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

**GOVERNMENT AND OTHER APPROVALS**

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Offer or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.

In view of the approvals listed below, we can undertake this Offer and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Offer or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

The Company has got following licenses / registrations / approvals /consents / permissions from the Government and various other Government agencies required for its present business.

For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled '**Key Industry Regulations and Policies**' on page 106 of this Draft Red Herring Prospectus.

**I. APPROVALS FOR THE ISSUE**

The following approvals have been obtained or will be obtained in connection with the Issue

***Corporate Approvals:***

- a. Our Board, pursuant to its resolution dated April 09, 2024 authorized the Issue subject to 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 shareholders of our Company have, pursuant to their resolution passed at the annual general meeting of our Company held on May 13, 2024 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved this Draft Red Herring Prospectus pursuant to its resolution dated June 25, 2024.

***Approval from the Stock Exchange:***

- d. In-principle approval dated [●] from the NSE Emerge or using the name of the Exchange in the issue documents for listing of the equity shares issued by our Company pursuant to the issue.

***Agreements with NSDL and CDSL:***

- e. The company has entered into an agreement dated February 28, 2024 with the Central Depository Services (India) Limited ("CDSL") and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- f. Similarly, the Company has also entered into an agreement dated September 25, 2023 with the National Securities Depository Limited ("NSDL") and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited for the dematerialization of its shares.
- g. The Company's International Securities Identification Number is: INEORBQ01018.

**II. MATERIAL LICENSES/ APPROVALS OBTAINED BY OUR COMPANY****A. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY**

Sr No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation	U26202DL2023PLC410521	Companies Act, 2013	Registrar of Companies, Central Registration Centre	February 22, 2023	Valid until cancelled

**B. TAX RELATED APPROVALS:**

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	ABKCS2722D	February 22, 2023	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	Income Tax Department, Government of India	DELS99131E	February 23, 2023	Valid until cancelled
3.	Certificate of Registration of Goods and Services Tax (SEZ UNIT)	Centre Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	09ABKCS2722D1ZF	March 04, 2023	Valid until cancelled
4.	Certificate of Registration of Goods and Services Tax (Regular)	Centre Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	09ABKCS2722D2ZE	May 02, 2024	Valid until cancelled

**C. GENERAL APPROVALS:**

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Certificate of Importer-Exporter Code ("IEC")	Foreign Trade (Development and Regulation) Act, 1992	Ministry of Commerce & Industry, Office of the Additional Director General of Foreign Trade	ABKCS2722D	March 21, 2023	Valid until cancelled
2.	Legal Entity Identifier	Payment and Settlement System Act, 2007	Legal Entity Identifier India Limited	3358008CWR37P91MLM67	January 15, 2024	January 15, 2029
3.	UDYAM Registration Certificate (Small Enterprise)	The Micro, Small and Medium Enterprises Development Act, 2008	Ministry of Small and Medium enterprises	UDYAM-DL-08-0049878	April 12, 2023	Valid Until cancelled

**D. LABOUR LAW RELATED APPROVALS:**

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Registration under Employees State Insurance Corporation	Employees State Insurance Act, 1948	Regional Office, Employee's State Insurance Corporation	67201546300010999	May 01, 2023	Valid Until Cancelled
2.	Registration under Employees' Provident Funds	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Employees' Provident Fund Organization	DSNHP2870068000	March 04, 2023	Valid Until Cancelled

**E. BUSINESS OPERATIONS RELATED APPROVALS:**

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	License to work a factory	Factories Act, 1948 and Uttar Pradesh Factories Rules, 1950	Office of the Development Commissioner, Noida Special Economic Zone	NSEZ/FL/09/2022/10679	November 06, 2023	December 31, 2024
2.	Registration Certificate of Establishment (Regd. Office)	Delhi Shops & Establishment Act, 1954,	Department of Labour, Government of	2024059948	March 26, 2024	Valid until cancelled

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
			National Capital Territory of Delhi			
3.	Registration Certificate of Commercial Establishment (Warehouse)	Uttar Pradesh Shops & Commercial Establishment Act, 1962,	Labour Department, Uttar Pradesh	UPSA10733859	May 02, 2024	Valid until cancelled
4.	Fire No objection Certificate	The Uttar Pradesh Fire Prevention and Fire Safety Act, 2005	Deputy Director	UPFS/2022/59883/GBN/GAUTAM BUDDH NAGAR/17194/DD	September 06, 2022	September 05, 2025
5.	Registration-cum Membership Certificate (RCMC)	Foreign Trade Policy	Export Promotion Council for EOUs & SEZs Units	05023301168	March 26, 2024	March 31, 2027
6.	LOA for Manufacturing of Manufacturing of: (i) PCB Assembly, (84733030) (100000 nos./annum); (ii) PCB Assembly (85177010)(100000 nos./annum); (iii) Electrical, Electronic-Box, Cable Assembly (85444292) (100000 nos./annum); (iv) USB Flash Solid State- Mini, Micro Storage device (85235100) (300000 nos./annum); (v) Energy Meters with & Without Enclosures (90283090) (5000 nos./annum); (vi) LED lights (Panel Light, Street Light, Down Light, Flash Light, MR-16, Tail Light) (85395200) (20000 nos./annum); (vii) LED Electronic Lighting Assembly, components/parts with and without Metal/ plastic Fixtures, Drivers, (94059900) (80000 nos./annum); (viii) Designing Services of IC Chip/Package Components)/Substrate/ PCB Design (CPC-86726); (ix) LAPTOP, (84713010) (20000 units/annum); (x) Tablet PC, (84713090) (10000 units/annum); (xi) Server (84714120) (200 units/annum); (xii) All in One PC, (84713090) (3000 units/annum); (xiii) Desktop (84714190) (4000	SEZ Rules, 2006	Government of India Ministry of Commerce and Industry, Department of Commerce Office of the Development Commissioner Noida Special Economic Zone	09/02/2005-PROJ/2998	April 03, 2024	April 13, 2029

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
	units/annum); (xiv) Ultra Small Form Factor (USFF) (84714110) (1000 units/annum); (xv) Cable Assembly (85444220) (50000 units/annum); (xvi) Charger (85044030) (50000 units/annum).					
7.	Generation of Equipment Type Approval (ETA) through self-declaration issued under O.M. No. ETA-WPC /Policy/2018-19 dated 26 February, 2019; Issued for a single model with model name IN-N15C (Laptops)	O.M. No. ETA-WPC /Policy/2018-19 dated 26 February, 2019	Ministry of Communications Department of Telecommunications WPC Wing	ETA-SD-20231110461	November 30, 2023	Valid Until cancelled
8.	Sanstha Aadhaar Number	-	Department of Statistics Directorate of Economics & Statistics Rajasthan, Jaipur	0723200000000032	May 2, 2024	Valid Until cancelled
9.	Certificate of Registration	Legal Metrology (Packed Commodities), Rules, 2011	Director (Legal Metrology), Department of Consumer Affairs, Weights and Measures Unit	GOI/UP/2024/3026	May 17, 2024	Valid Until cancelled
10.	Approval under Production Linked Incentive Scheme (PLI)-2.0 for IT Hardware	Product Linked Incentive Scheme (PLI) 2.0 for IT Hardware notified vide Gazette Notification No. CG-DL-E-30052023-246165 dated 14 July, 2023 collectively referred as PLI Scheme 2.0 hereinafter.	General Manager, IFCI Limited, a Government of India Undertaking	IFCI/MeitY/PLI-ITHW-31124034	November 24, 2023	FY 2029-30

**F. ENVIRONMENT RELATED APPROVALS:**



Sr. No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Consolidated Consent to Operate and Authorization (CCA-Consolidated Consent & authorization)	Under Section-25 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section-21 of the Air (Prevention & Control of Pollution) Act, 1981	Uttar Pradesh Pollution Control Board	182345/UppCB/Noi da(UppCBRO)/CTO /both/NOIDA/2023	Issued on June 03, 2023; Valid from May 12, 2023	March 31, 2026
2.	Membership Certificate for safe, legal & scientific Disposal of Hazardous Waste	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016	Bharat Oil & Waste Management Ltd.	BOWML/K/5514/24	April 24, 2024	March 19, 2025



**G. QUALITY CERTIFICATIONS:**

Sr. No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Certificate of Registration of Manufacture of PCB Assemblies. ISO 9001:2015 certification	The Bureau of Indian Standards Act, 2016	TÜV Rheinland (India) Pvt. Ltd.	8510000121065	January 24, 2022	January 23, 2025
2.	Certificate of Registration of Manufacture of PCB Assemblies. Standard EN 9100:2018 equivalent to AS 9100D and JISQ 9100:2016, including ISO 9001:2015	The Bureau of Indian Standards Act, 2016	TÜV Rheinland (India) Pvt. Ltd.	01 117 2337501	June 27, 2023	June 26, 2026

**H. INTELLECTUAL PROPERTY RELATED APPROVALS:**

Sr No.	Name Applied	Nature	Application Date	Registration No.	Class	Present Status
1.	SAHASRA	Trademark	January 29, 2015	2892278	9	Registered
2.	SAHASRA	Word Mark	March 28, 2022	5387941	9	Registered
3.		Device Mark	May 07, 2013	2526527	11	Registered
4.		Device Mark	May 07, 2013	2526526	11	Registered

\*The all above trademarks are owned by Sahasra Electronics, Proprietorship Firm of Amrit Lal Manwani (Chairman, Managing Director & Promoter of the company) who has granted the company a No Objection Certificate (NOC) dated April 23, 2024, for business purposes.

**I. APPLICATIONS MADE BY OUR COMPANY, PENDING APPROVAL:**

- The company has made application for change of name consequent to takeover of partnership firm by company in Fire NOC vide application dated March 27, 2024;
- The company has applied for E-Waste Management System under E-Waste (Management) Rules, 2022 vide application Number 686765 dated May 29, 2024;
- The company has applied for EPR Portal for Battery Waste Management under Battery Waste Management Rules, 2022 vide transaction id 4896-1715668674490 dated May 14, 2024.

**J. MATERIAL LICENSES / APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY:**

- The company is yet to apply for all government related approvals for the proposed manufacturing facility situated at Plot no B-3/1, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar- 301019, Rajasthan, India, for further details refer chapter “*Objects of the Offer*” beginning on page 66 of this Draft Red Herring Prospectus.

**III. MATERIAL LICENSES/ APPROVALS OBTAINED BY OUR SUBSIDIARY COMPANY I.E., SAHASRA SEMICONDUCTORS PRIVATE LIMITED:****A. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY**

Sr No.	Nature of Registration	CIN	Applicable Laws	Issuing Authority	Date of Issue	Date of Expiry
1.	Certificate of Incorporation of	U32109DL2020PTC366230	Companies Act, 2013	Registrar of Companies, Central Registration Centre	July 15, 2020	Valid until cancelled

**B. TAX RELATED APPROVALS:**

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department, Government of India	ABDCS9700Q	July 15, 2020	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	Income Tax Department, Government of India	DELS83878E	September 08, 2020	Valid until cancelled
3.	Certificate of Registration of Goods and Services Tax of Subsidiary (Rajasthan)	Centre Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	08ABDCS9700Q1ZP	November 24, 2020	Valid until cancelled
4.	Certificate of Registration of Goods and Services Tax of Subsidiary (New Delhi)	Centre Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	07ABDCS9700Q1ZR	July 24, 2020	Valid until cancelled

**C. GENERAL APPROVALS:**

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Certificate of Importer-Exporter Code ("IEC")	Foreign Trade (Development and Regulation) Act, 1992	Ministry of Commerce & Industry, Office of the Additional Director General of Foreign Trade	ABDCS9700Q	November 25, 2020	Valid until cancelled
2.	Legal Entity Identifier	Payment and Settlement System Act, 2007	Legal Entity Identifier Limited India	335800CJLOINYV DU7632	July 14, 2020	March 28, 2025
3.	UDYAM Registration Certificate (Medium Enterprise)	The Micro, Small and Medium Enterprises Development Act, 200s	Ministry of Small and Medium enterprises	UDYAM-DL-08-0002769	September 11, 2020	Valid Until cancelled

**D. LABOUR LAW RELATED APPROVALS:**

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Registration under Employees State Insurance Corporation	Employees State Insurance Act, 1948	Regional Office, Employee's State Insurance Corporation	15201342090010607	September 21, 2023	Valid Until Cancelled
2.	Registration under Employees' Provident Funds	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Employees' Provident Fund Organization	DSNHP2135870000	July 15, 2020	Valid Until Cancelled

**E. BUSINESS OPERATIONS RELATED APPROVALS:**



Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	License to work a factory	Factories Act, 1948	Chief Inspector of Factories and Boilers, Jaipur, Rajasthan	RJ/34998	November 30, 2022	March 31, 2025
2.	Fire No objection Certificate	Rajasthan Municipalities Act, 2009	Department of Local Self-Government, Bhiwadi Rajasthan	LSG/BHIWADI/FI RENOC/2023-24/22357	December 04, 2023	Valid until cancelled
3.	Approval Letter under	PLI Scheme for Large	General Manager,	IFCI/CASD/MeitY/	October	5 Years

Sr No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
	Production Linked Incentive (PLI) Scheme for electronic applications; Printed Circuit Boards (PCB); PCB Laminates, prepregs; photopolymer films; PCB printing inks; System in Package (SIP); Assembly, Testing Marking and Packaging (ATMP) units.	Electronics Manufacturing, Gazette Notification No. CG-DL-E-01042020-218990 dated 01.04.2020 & PLI Scheme Guidelines issued thereunder.	IFCI Limited, a Government of India Undertaking	PLI-201006027	06, 2020	
4.	Approval of project under SPECS for ATMP and NAND Flash Memory in the following packages: 1) COB bases USBs [Chip-on-Board based Universal Serial Bus Flash Memory] 2) uSD [Micro Secure Digital Card], and 3) Multi-Stack and BGA [Ball Array] NAND Flash for used in SSDs [Solid-State Drives]	Scheme for Promotion of Manufacturing of Electronics Components and Semiconductors (SPECS), Gazette Notification No. CG-DL-E-01042020-218992 dated 01.04.2020 & Guidelines issued thereunder dated 01.06.2020.	GM, IFCI Limited, a Government of India Undertaking	IFCI/CASD/MeitY/SPECS-	September 30, 2021	5 Years
5.	Order for Customized package at Bhiwadi for setting up manufacturing unit of ATMP (Assembly, Testing Marking and Packaging) in the state	Rajasthan Investment Promotion Scheme-2019	Joint Secretary to the Government, Government of Rajasthan, Finance Department (Tax Division)	No. F.12(55)FD/Tax/2020-33	June 29, 2021	10 years
6.	Approval of Application under the Product Linked Incentive Scheme for White Goods (Air Conditioners and LEDs)	Product Linked Incentive Scheme for White Goods notified vide Gazetted Notification No, CG-DL-E-16042021-226671 dated 16 April 2021 and PLI Scheme Guidelines issued thereunder and as amended from time to time.	General Manager, IFCI Limited, a Government of India Undertaking	IFCI/CASD/DPIIT/PLIWG-220630048	June 30, 2022	Scheme is valid till FY 2028-29
7.	Certificate of Registration	Legal Metrology (Packed Commodities), Rules, 2011	Director (Legal Metrology), Department of Consumer Affairs, Weights and Measures Unit	GOI/RJ/2024/2904	May 13, 2024	Valid Until cancelled

**F. ENVIRONMENT RELATED APPROVALS:**

Sr. No.	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Consent to Establish	Under Section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section 21(4) of the Air (Prevention & Control of Pollution) Act, 1981	Rajasthan State Pollution Control Board	F(Tech)/Alwar(Tijara)/6704(1)/2020-2021/675-676	Issued on January 12, 2021; Valid from November 30, 2020	October 31, 2025
2.	Consent to Operate	Under Section 25/26 of the Water (Prevention & Control of Pollution) Act, 1974 and under Section 21(4) of Air (Prevention & Control of Pollution) Act, 1981	Rajasthan State Pollution Control Board	F(Tech)/Alwar(Tijara)/7557(1)/2022-2023/1910-1911	Issued on March 03, 2023; Valid from October 18, 2022	September 30, 2022

**G. INTELLECTUAL PROPERTY RELATED APPROVALS:**

Sr No.	Name Applied	Nature	Application Date	Registration No.	Class	Present Status
1.	SAHASRA	Trademark	January 29, 2015	2892278	9	Registered
2.	SAHASRA	Word Mark	March 28, 2022	5387941	9	Registered
3.		Device Mark	May 07, 2013	2526527	11	Registered
4.		Device Mark	May 07, 2013	2526526	11	Registered

*\*The above trademark is owned by Sahasra Electronics, Proprietorship Firm of Amrit Lal Manwani (Chairman, Managing Director & Promoter of the Holding Company) who has granted the company a No Objection Certificate (NOC) dated April 23, 2024, for business purposes.*

**H. APPLICATIONS MADE BY OUR COMPANY, PENDING APPROVAL:**

1. The company has applied for E-Waste Management System under E-Waste (Management) Rules, 2022 vide application Number 505566 dated May 29, 2024;
2. The company has applied for EPR Portal for Battery Waste Management under Battery Waste Management Rules, 2022 vide transaction id 4934-1715340647763 dated May 10, 2024.

**I. MATERIAL LICENSES/ APPROVALS FOR WHICH THE COMPANY IS YET TO APPLY:**

Nil

**OUR GROUP COMPANIES**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those Companies as our Group company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period (if any) and other as considered material by our Board. Further, pursuant to a resolution of our Board dated May 23, 2024 for the purpose of disclosure in relation to Group company in connection with the Issue, a company shall be considered material and disclosed as a Group company if such company fulfills both the below mentioned conditions:-

- a. the companies with which there were related party transactions (in accordance with AS-18), as disclosed in the Restated Financial Statements (“**Restated Financial Statements**”); or
- b. if such company fulfills both the below mentioned conditions: -
  - i. such company that forms part of the Promoter Group of the Company in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations; and
  - ii. the Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the Company as per Restated Financial Statements.

Except as stated, there are no companies/entities falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group company/entity.

1. Sahasra Electronics Private Limited
2. Infopower Technologies Private Limited
3. Megma RFID and Labels Private Limited
4. Sahasra Electronic (Rwanda) Private Limited
5. Optima Technology Associates Inc.

**Details of our top five Group Companies:*****Indian Group Companies:*****1. Sahasra Electronics Private Limited (“SEPL”)**

Sahasra Electronics Private Limited was incorporated on June 15, 2001 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, N.C.T. of Delhi & Haryana.

<b>CIN</b>	U51505DL2001PTC111282
<b>PAN</b>	AAFCS4634L
<b>Registered Office</b>	House No. 33, Pocket - I, Jasola, New Delhi-110044, Delhi, India

**2. Infopower Technologies Private Limited (“ITPL”)**

Infopower Technologies Private Limited was incorporated on April 18, 1984 with the name Sark Synertek Private Limited under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Delhi & Haryana.

<b>CIN</b>	U74899DL1984PTC017961
<b>PAN</b>	AAACS0330C
<b>Registered Office</b>	33 Jasola Pocket I, New Delhi-110025, Delhi, India

**3. Megma RFID and Labels Private Limited (“MRLPL”)**

Megma RFID and Labels Private Limited was incorporated on January 27, 2015 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Uttar Pradesh.

<b>CIN</b>	U22222UP2015PTC068469
<b>PAN</b>	AAJCM6002A
<b>Registered Office</b>	E-8B, No. I-008, Parsvnath Gardeni, Sector -61, Gautam Buddha Nagar, Noida-201301, Uttar Pradesh, India

**Foreign Group Companies:**

**4. Sahasra Electronic (Rwanda) Private Limited (“SERPL”)**

Sahasra Electronic (Rwanda) Private Limited was incorporated on May 11, 2012 under the provisions of Article 16 of Law no. 07/2009 of 27/04/2009 relating to companies vide Certificate of Domestic Company Registration issued by the Registrar General, Rwanda Development Board.

<b>Company Code</b>	102638145
<b>Registered Office</b>	Rusororo, District Gasabo, Umujyi wa Kigali, P O Box 4715, Rwanda

**5. Optima Technology Associates Inc. (“OTAI”)**

Optima Technology Associates Inc. was incorporated on February 23, 1996 vide Control Id 0002681116 issued by the Pennsylvania Department of State

<b>Control Id</b>	0002681116
<b>Registered Office</b>	629 Lowther Rd Lewisberry, PA 17339-0 Pennsylvania, United States

**Financial Information**

In accordance with the SEBI (ICDR) Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, basis/diluted earnings per share and Net Asset Value, derived from the latest audited financial statements available of our group company are available on the website of our company at [www.seslimited.in](http://www.seslimited.in).

It is clarified that such details available on our Group Companies websites do not form a part of this Draft Red Herring Prospectus. anyone placing reliance on any other source of information, including our Group Companies website, as mentioned above, would be doing so at their own risk.

**Other Confirmations:**

- None of our Group Companies is listed on any stock exchange nor any of the Group Companies has made any public and/or rights issue of securities in the preceding three years.
- None of the above-mentioned Group Companies is in defaults in meeting any Statutory/ bank/ institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies.
- None of the above-mentioned Group Companies is a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/insolvency proceedings.
- Our Group Companies has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

**Common pursuits**

Except for Sahasra Electronics Private Limited, which is engaged in the similar business as that of our company, none of our other group company has common pursuits. Also, we share the same premises of our registered office with our Group Companies, Megma RFID and Labels Private Limited, Infopower Technologies Private Limited and Sahasra Electronics Private Limited.

**Nature and extent of interest of our Group Company**

**a) Interest in the promotion of our Company**

None of our Group Company has any interest in the promotion of our Company.

**b) Interest in the property acquired or proposed to be acquired by the Company**

Except as mentioned below, none of our Group Company is interested, directly or indirectly, in the properties acquired by our Company in the preceding three years or proposed to be acquired by our Company.

S. No.	Address of Property	Actual Use	Details of property
1.	A-4 Phase-II, Gautam Buddha Nagar, Noida-201305 Uttar Pradesh	Warehouse	The property has been taken on lease vide a lease agreement dated April 12, 2024 entered with Infopower Technologies Private Limited (Infopower Technologies Limited) valid for 11 months starting from April 12, 2024 to March 11, 2025 at a monthly rent of ₹ 60,000 per month.

S. No.	Address of Property	Actual Use	Details of property
2.	B-3/1, Elcina Electronics Manufacturing Cluster, Industrial Area Salarpur, Bhiwadi, Distt. Alwar-301019, Rajasthan	Proposed expansion	The property admeasuring land area of 1,500 sq. meters has been taken on lease vide a lease agreement dated June 15, 2024 entered with Sahasra Electronics Private Limited valid for 5 years starting from June 15, 2024 at a monthly rent of ₹ 75,000 per month.

**c) Interest in transactions for acquisition of land, construction of building, or supply of machinery**

None of our Group Company is interested, directly or indirectly, in any transactions for acquisition of land, construction of building, supply of machinery, with our Company.

**Related business transactions and their significance on the financial performance of our Company**

Other than the transactions disclosed in the section “**Other Financial Information –Related Party Transactions**” on page 168 of this Draft Red Herring Prospectus, there is no related business transactions between the Group Company and our Company.

**Business interest of our Group Company in our Company**

Except as disclosed in the section “**Other Financial Information –Related Party Transactions**” on page 168, our Group Company has no business interests in our Company.

**Litigations**

Except as disclosed in the section “**Outstanding litigations and material developments**” on page 223 of this Draft Red Herring Prospectus.

**Undertaking / Confirmations by our Group Company**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company or have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group Companies/ Promoter Group entities have been declared as a willful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

*The information as required by the SEBI (ICDR) Regulations with regards to the Group Company, is also available on the website of our company i.e. [www.seslimited.in](http://www.seslimited.in).*

**OTHER REGULATORY AND STATUTORY DISCLOSURES****Authority for the Offer:****Corporate Approvals:**

Our Board has approved the Offer pursuant to the resolution passed at its meetings held on April 09, 2024 and our Shareholders have approved the Offer pursuant to a special resolution passed at the Extra Ordinary General Meeting held on May 13, 2024 under Section 62(1)(c) of the Companies Act, 2013.

**Offer for Sale:****Approvals from the Selling Shareholder**

The Offer for Sale has been authorised by a resolution of the Board of Directors of the Company passed at their meeting held on April 09, 2024 and by shareholder of our Company at an Extra Ordinary General Meeting held on May 13, 2024.

Selling shareholder has confirmed and authorised the transfer of proportion of the Offered Shares pursuant to the Offer for Sale, as set out below:

<b>Name of the Selling Shareholder</b>	<b>Date of board resolution/ Authorization Letter</b>	<b>Date of consent letter</b>	<b>No of Equity Shares offered</b>	<b>% of the pre-Offer paid-up Equity Share capital of our Company</b>
<b><i>Promoter Selling Shareholder</i></b>				
Amrit Lal Manwani	April 09, 2024/ April 08, 2024	April 08, 2024	Up to 5,00,000 Equity Shares	2.64%

Selling Shareholder has confirmed that it is in compliance with Regulation 8 of the SEBI (ICDR) Regulations, 2018 and it has held the Offered Shares for a period of at least one year prior to the date of filing of the Draft Red Herring Prospectus.

**In-principle Approval:**

Our Company has obtained in-principle approval from the NSE Emerge for using its name in the Draft Red Herring Prospectus/Prospectus pursuant to an approval letter dated [●] NSE is the Designated Stock Exchange.

**Prohibition by SEBI, RBI or other authorities:**

Our Company, Promoter, the Selling Shareholder, Directors, members of our Promoter Group, the persons in control of our Promoter or our Company, as applicable, are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court. There are no violations of securities laws committed by them in the past or are pending against them.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither our Company, nor Promoters, nor Promoter Group, nor Selling Shareholder, nor any of our directors or persons in control of our Company are / were associated as promoters, directors or persons in control of any other Company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.

There has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "*Outstanding Litigations and Material Development*" beginning on page 223 of this Draft Red Herring Prospectus.

**Association with Securities Market:**

None of our Directors are, in any manner, associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors in the past 5 years.

**Prohibition by RBI:**

Neither our Company, our Promoters, Promoter Group, Selling Shareholder, our Directors, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as a wilful defaulter or a fugitive economic offender or a fraudulent borrower and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter "*Outstanding Litigations and Material Development*" beginning on page 223 of this Draft Red Herring Prospectus.



### **Prohibition with respect to wilful defaulters or a fraudulent borrower**

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Draft Red Herring Prospectus, there are no such significant beneficial owners in our Company.

### **Eligibility for the Offer:**

Our Company has complied with the conditions of Regulation 230 of SEBI (ICDR) Regulations, 2018 for this Offer.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Offer is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Offer in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, we are an Issuer whose post Offer paid up capital is more than ten crores but less or equal to Twenty-five crore rupee and we may hence Offer Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange {in this case being the "SME Platform of NSE (NSE Emerge)"}

### **We confirm that:**

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Offer will be 100% underwritten and that the BRLM to the Offer shall underwrite minimum 15% of the Total Offer Size. For further details pertaining to said underwriting please refer to section titled "**General Information – Underwriting**" beginning on page 53 of this Draft Red Herring Prospectus.
- b) In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Offer shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
- c) In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Book Running Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Prospectus.
- d) In accordance with Regulation 261 (1) of the SEBI (ICDR) Regulations, we hereby confirm that we shall enter into an agreement with the Book Running Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of NSE. For further details of the arrangement of market making please refer to section titled "**General Information – Details of the Market Making Arrangements for this Offer**" beginning on page 54 of this Draft Red Herring Prospectus.
- e) In accordance with Regulation 228(a) of the SEBI (ICDR) Regulations, our Company, its promoters, promoter group or directors are not debarred from accessing the capital markets by the Board;
- f) In accordance with Regulation 228(b) of the SEBI (ICDR) Regulations, the companies with which our promoters or directors are associated as a promoter or director are not debarred from accessing the capital markets by the Board;
- g) In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or a fraudulent borrower.
- h) In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer's promoters or directors is a fugitive economic offender.
- i) In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to NSE (SME Platform of the NSE) is the Designated Stock Exchange.
- j) In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialisation of specified securities already issued and proposed to be issued.

- k) In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid-up.
- l) In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialised form.

We further confirm that we shall be complying with all the other requirements as laid down for such an Offer 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. Our Company shall mandatorily facilitate trading in Demat securities for which we have entered into an agreement with the Central Depository Services Limited (CDSL) dated February 28, 2024 and National Securities Depository Limited dated September 25, 2023 for establishing connectivity.
2. Our Company has a website i.e. <https://www.seslimited.in/>
3. The Equity Shares of our Company held by our Promoter are in dematerialised form; and
4. All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.
5. There has been no change in the promoters of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the below requirements / conditions so as to be eligible to be listed on the SME Platform of NSE:

1. Our Company was incorporated as Limited Company in the name of “Sahasra Electronic Solutions Limited” under the provisions of the Companies Act, 2013 vide Certificate of Incorporation dated February 22, 2023 issued by Registrar of Companies, Central Registration Centre bearing Corporate Identity Number U26202DL2023PLC410521. At the time of incorporation our company has took over the running business of proprietorship concern of the promoter Amrit Lal Manwani, namely M/s Sahasra Electronic Solutions along with the assets and liabilities of the proprietorship concern as going concern.
2. As on the date of this Draft Red Herring Prospectus, the Company has a Paid-up Capital of ₹ 18,914.76 Lakhs and the Post Offer Capital will be [●] equity shares of face value of ₹10/- aggregating up to ₹ [●] which is less than ₹ 25 Crores.
3. The Company & the Proprietorship firm of our Promoter Amrit Lal Manwani has a combined track record of at least 3 years as on the date of filing Draft Red Herring Prospectus.
4. The company/ entity confirms that it has operating profit (earnings before interest, depreciation and tax) from operations for atleast any 2 out of 3 financial years preceding the application and its net-worth should be positive.

(In ₹ Lakhs)

Particulars	March 31, 2024	March 31, 2023	February 21, 2023	March 31, 2022
	Company		Proprietorship	
Net Worth	6031.68	2027.50	2435.06	1521.57
EBITDA	3526.58	246.23	1876.88	377.48

5. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of Promoters, Group Companies, Companies promoted by the Promoters of the Company;
6. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
7. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
8. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
9. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (“NSE Emerge”).

**DISCLAIMER CLAUSE OF SEBI**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF 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 OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE 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 OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF OR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 25, 2024.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS, RED HERRING PROSPECTUS AND THIS PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, SECTION 35, SECTION 36 AND SECTION 38 (1) OF 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 OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLM ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENTS/ OFFER DOCUMENTS.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus/ Prospectus with the Registrar of Companies, Delhi in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Hem Securities Limited (SME IPO's):**

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
1.	Enfuse Solutions Limited	22.44	96.00	March 22, 2024	115.00	25.65% [1.08%]	N.A.	N.A.
2.	Aspire & Innovative Advertising Limited	21.97	54.00	April 03, 2024	56.50	37.87% [0.18%]	N.A.	N.A.
3.	Blue Pebble Limited	18.14	168.00	April 03, 2024	199.00	71.17% [0.18%]	N.A.	N.A.
4.	Amkay Products Limited	12.60	55.00	May 08, 2024	104.50	15.91% [4.39%]	N.A.	N.A.
5.	TGIF Agribusiness Limited	6.39	93.00	May 15, 2024	150.00	1.61% [5.49%]	N.A.	N.A.
6.	Energy-Mission Machinerries (India) Limited	41.15	138.00	May 16, 2024	366.00	218.62% [5.15%]	N.A.	N.A.
7.	Aztec Fluids & Machinery Limited	24.12	67.00	May 17, 2024	90.00	10.18% [4.58%]	N.A.	N.A.
8.	Premier Roadlines Limited	40.36	67.00	May 17, 2024	87.00	104.18% [4.86%]	N.A.	N.A.
9.	Vilas Transcore Limited	95.26	147.00	June 03, 2024	215.00	N.A.	N.A.	N.A.

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing price, benchmark]-30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing price, benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing price, benchmark]-180 <sup>th</sup> calendar days from listing
10.	Aimtron Electronics Limited	87.02	161.00	June 06, 2024	241.00	N.A.	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

- 1) The scrip of Enfuse Solutions Limited, Aspire & Innovative Advertising Limited, Blue Pebble Limited, Amkay Products Limited, TGIF Agribusiness Limited, Energy-Mission Machinerics (India) Limited, Aztec Fluids & Machinery Limited and Premier Roadlines Limited have not completed its 90<sup>th</sup> day from the date of listing and Vilas Transcore Limited & Aimtron Electronics Limited have not completed its 30<sup>th</sup> day from the date of listing.

#### Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount- 30th calendar days from listing			No. of IPOs trading at Premium- 30th calendar days from listing			No. of IPOs trading at discount- 180th calendar days from listing			No. of IPOs trading at Premium- 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	15 <sup>(1)</sup>	220.57	-	-	-	6	6	3	-	-	-	12	-	3
2023-24	21 <sup>(2)</sup>	680.45	-	-	1	12	5	3	-	-	1	8	2	3
2024-25	9 <sup>(3)</sup>	347.01	-	-	-	3	1	3	-	-	-	-	-	-

- 1) The scrip of Krishna Defence and Allied Industries Limited was listed on April 6, 2022; Eighty Jewellers Limited was listed on April 13, 2022; Kesar India Limited was listed on July 12, 2022; Silicon Rental Solutions Limited was listed on October 10, 2022; Cargosol Logistics Limited was listed on October 10, 2022; Cargotrans Maritime Limited was listed on October 10, 2022; Concord Control Systems Limited was listed on October 10, 2022; Lloyds Luxuries Limited was listed on October 11, 2022; Vedant Asset Limited was listed on October 12, 2022; Baheti Recycling Industries Limited was listed on December 08, 2022; Chaman Metallics Limited was listed on January 16, 2023; Earthstahl & Alloys Limited was listed on February 08, 2023; Macfos Limited was listed on March 01, 2023; Systango Technologies Limited was listed on March 15, 2023 and Labelkraft Technologies Limited was listed on March 23, 2023;
- 2) The scrip of Vasa Denticity Limited was listed on June 02, 2023; Hemant Surgical Industries Limited was listed on June 05, 2023; Greenchef Appliances Limited was listed on July 06, 2023; Kaka Industries Limited was listed on July 19, 2023; Asarfi Hospital Limited was listed on July 26, 2023; Kahan Packaging Limited was listed on September 15, 2023; Madhusudan Masala Limited was listed on September 26, 2023; Saakshi Medtech And Panels Limited was listed on October 03, 2023; Arabian Petroleum Limited was listed on October 09, 2023, E Factor Experiences Limited was listed on October 09, 2023, Paragon Fine and Speciality Chemical Limited was listed on November 03, 2023, Deepak Chemtex Limited was listed on December 06, 2023, S J Logistics (India) Limited was listed on December 19, 2023, Siyaram Recycling Industries Limited was listed on December 21, 2023, Shanti Spintex Limited was listed on December 27, 2023, Shri Balaji Valve Components Limited was listed on January 03, 2024, New Swan Multitech Limited was listed on January 18, 2024, Harshdeep Hortico Limited was listed on February 05, 2024, Megatherm Induction Limited was listed on February 05, 2024, Sona Machinery Limited was listed on March 13, 2024 and Enfuse Solutions Limited was listed on March 22, 2024;
- 3) The scrip of Aspire & Innovative Advertising Limited was listed on April 03, 2024, Blue Pebble Limited was listed on April 03, 2024, Amkay Products Limited was listed on May 08, 2024, TGIF Agribusiness Limited was listed on May 15, 2024, Energy-Mission Machinerics (India) Limited was listed on May 16, 2024, Aztec Fluids & Machinery Limited was listed on May 17, 2024, Premier Roadlines Limited was listed on May 17, 2024, Vilas Transcore Limited was listed on June 03, 2024 and Aimtron Electronics Limited was listed on June 06, 2024.

#### Note:

- Based on date of listing.
- BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.

- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Book Running Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Book Running Lead Manager are provided.

**Track Record of past issues handled by Hem Securities Limited:**

For details regarding track record of BRLM 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 BRLM at: [www.hemsecurities.com](http://www.hemsecurities.com)

**Disclaimer from our Company, our Directors, the Selling Shareholder and BRLMs:**

Our Company, the Directors and the Book Running Lead Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, <https://www.seslimited.in/> or the websites of the members of our Promoter Group or any of the Group Company, or the Selling Shareholder would be doing so at his or her own risk. It is clarified that neither the Selling Shareholder, nor their affiliates, associates and officers, accept and/or undertake any responsibility for any statements made or undertakings provided other than those specifically made or undertaken by such Selling Shareholder in relation to itself and/or the Equity Shares offered by him through the Offer for Sale.

The Selling Shareholder, severally and not jointly, is providing information in this Draft Red Herring Prospectus only in relation to itself as a selling shareholder and its respective portion of the Offered Shares, and the Selling Shareholder, including its directors, partners, affiliates, associates and officers, accepts and/or undertakes no responsibility for any statements made or undertakings provided, including without limitation, any statement made by or in relation to our Company or its business, other than those specifically undertaken or confirmed by it as a selling shareholder and its respective portion of the Offered Shares in this Draft Red Herring Prospectus.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement entered between the BRLM (Hem securities Limited) and our Company and Selling Shareholder of the Company on May 31, 2023 and as will be provided in the Underwriting Agreement dated [●] entered into among the Underwriters, the Selling Shareholder and our Company and the Market Making Agreement dated [●] entered into among the Market Maker, BRLM and our Company.

All information shall be made available by our Company, the Selling Shareholder (to the extent that the information pertains to itself and its respective portion of the Offered Shares) and the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

**Disclaimer Clause of the Selling Shareholder:**

The Selling Shareholder will be severally responsible for the respective statements confirmed or undertaken by it in this Draft Red Herring Prospectus in relation to itself and its respective portion of the offered shares.

**Note:**

Investors who apply in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Group Company, the Selling Shareholder, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholder, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

**Disclaimer in Respect of Jurisdiction:**

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative 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, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for 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 Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to jurisdiction of the competent court(s) in Delhi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**Disclaimer Clause of the SME Platform of the NSE:**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 any other reason whatsoever.

**Disclaimer Clause under Rule 144A of the U.S. Securities Act:**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under 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 outside the United States in compliance with Regulation S of the 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.

Further, each Bidder where required agrees that such Bidder 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 Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

**Filing of Offer Documents with the Designated Stock Exchange/SEBI/ROC**

The Draft Red Herring Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 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 Red Herring Prospectus/ Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>

A copy of the Red Herring Prospectus along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC at its office through the electronic portal at <http://www.mca.gov.in> and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at <http://www.mca.gov.in>.

**Listing:**

The Equity Shares of our Company are proposed to be listed on SME Platform of NSE. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE Emerge (SME platform of NSE).

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Offer. If the permission to deal in the Equity Shares is not granted by NSE Emerge, our Company will forthwith repay, without interest, all monies received from the Applicants in pursuance of the Prospectus and each of the Selling Shareholder will be liable to reimburse our Company for such repayment of monies, on its behalf, with respect to its respective portion of the Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within three (3) Working Days of the Offer Closing Date. If Equity Shares are not Allotted pursuant to the Offer within three (3) Working Days from the Offer Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period Subject to applicable law.

**Impersonation:**

Attention of the Bidders 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-

- i. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- ii. 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
- iii. 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 to action under section 447 of the Companies, Act 2013

**Consents:**

Consents in writing of (a) Our Directors, Promoter, Selling Shareholder, Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Banker to the Company; (b) Book Running Lead Manager, Registrar to the Offer, Banker to the Offer (Sponsor Bank)\*, Legal Advisor to the Offer, Monitoring Agency\*, Underwriter to the Offer\*, Syndicate Member\* and Market Maker to the Offer\* to act in their respective capacities have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 26 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of filing of the Prospectus with the RoC.

*\*The aforesaid will be appointed prior to filing of Red Herring Prospectus/ Prospectus with the RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus/Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, M/s. Kapoor Tandon & Co., Statutory Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Special Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus for filing with the RoC.

**Experts Opinion:**

Except for the reports in the sections “*Statement of Special Tax Benefits*”, “*Financial Information of the Company*” “*Statement of Financial Indebtedness*” on page 84, 142 and 212 respectively of this Draft Red Herring Prospectus, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “**expert**” as defined under the U.S. Securities Act, 1933.

**Fees, Brokerage and Selling Commission payable:**

The total fees payable to the Book Running Lead Manager will be as per the (i) Offer Agreement dated May 31, 2024 with the Book Running Lead Manager, Company and Selling Shareholder (ii) the Underwriting Agreement dated [●] with Underwriter, Company and Selling Shareholder and (iii) the Market Making Agreement dated [●] with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Red Herring Prospectus until the Offer Closing Date.

**Fees Payable to the Registrar to the Offer:**

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Offer dated June 10, 2024 a copy of which is available for inspection at our Company's Registered Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send allotment advice by registered post/speed post.

**Particulars regarding Public or Rights Issues during the last five (5) years:**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Red Herring Prospectus.

**Previous issues of Equity Shares otherwise than for cash:**

For detailed description please refer to section titled "*Capital Structure*" beginning on page 57 of this Draft Red Herring Prospectus.

**Underwriting Commission, brokerage and selling commission on Previous Issues:**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares in last five (5) years.

**Particulars in regard to our Company and other listed subsidiaries/ associates under the same management within the meaning of Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

**Performance vis-a-vis objects – Public/right issue of our Company:**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 57 our Company has not undertaken any previous public or rights issue.

**Performance vis-a-vis objects - Last Issue of Subsidiary Company:**

As on the date of this Draft Red Herring Prospectus, our Subsidiary Company have not undertaken any public issue.

**Option to Subscribe:**

- a) Investors will get the allotment of specified securities in dematerialization form only.
- b) The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

**Outstanding Debentures or Bond Issues or Redeemable Preference Shares:**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

**Partly Paid-Up Shares**

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company.

**Outstanding Convertible Instruments:**

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



### **Stock Market Data of the Equity Shares:**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

### **Mechanism for Redressal of Investor Grievances:**

The agreement between the Registrar to the Offer and our Company and the Selling Shareholder dated June 10, 2024 provides for retention of records with the Registrar to the Offer for a minimum period of three (3) years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of this Draft Red Herring Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.

Investors may contact the BRLM for any complaint pertaining to the Offer. All grievances, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, where the Application Form was submitted, quoting the full name of the sole or first Applicant, Application Form number, Applicants’ DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove. Our Company, BRLM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

### **Disposal of Investor Grievances by our Company:**

Our Company shall obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Circular SEBI/HO/OIAE/IGRD/P/CIR/2022/0150 dated November 7, 2022 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Neha Tahir, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Offer. Contact details for our Company Secretary and Compliance Officer are as follows:

#### **Neha Tahir**

#### **Company Secretary & Compliance Officer**

#### **Sahasra Electronic Solutions Limited**

68-AA Noida Special Economic Zone, Nepz Post Office,  
Gautam Buddha Nagar, Noida-201305, Uttar Pradesh, India

**Tel. No.:** +91 8755074873

**Email:** [cs@sahasraelectronics.com](mailto:cs@sahasraelectronics.com)

**Website:** <https://www.seslimited.in/>

Investors can contact the Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

The Selling Shareholder has authorised the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Applicants in respect of their respective portion of the Offered Shares.

Further, our Board by a resolution on May 23, 2024 has constituted a Stakeholders Relationship Committee which is responsible for redressal of grievances of the security holders of our Company. For further details, please refer to section titled “*Our Management*” beginning on page 125 of this Draft Red Herring Prospectus.

**Status of Investor Complaints:**

We confirm that, our Company has not received any investor complaint during the 3 years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

**Disposal of investor grievances by listed companies under the same management as our Company:**

We do not have any listed company under the same management.

**Tax Implications:**

Investors who are allotted Equity Shares in the Offer will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “*Statement of Special Tax Benefits*” beginning on page 84 of this Draft Red Herring Prospectus.

**Purchase of Property:**

Other than as disclosed in Section “*Our Business*” beginning on page 95 there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Offer or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoters and/or Directors have any direct or indirect interest in any payment made there under.

**Capitalization of Reserves or Profits:**

Except as disclosed under section titled “*Capital Structure*” beginning on page 57 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

**Revaluation of Assets:**

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Red Herring Prospectus.

**Servicing Behavior:**

Except as stated in this Draft, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**Payment or benefit to officers of our Company:**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “*Our Management*” beginning on page 125 and chapter titled “*Financial Information*” beginning on page 142 none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

**Exemption from complying with any provisions of securities laws, if any, granted by SEBI:**

As on date of the Draft Red Herring Prospectus, our Company has not applied for or received any exemption from complying with any provisions of SEBI (ICDR) Regulations.

**SECTION VIII: OFFER RELATED INFORMATION****TERMS OF THE OFFER**

The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Prospectus, Bid cum Application Form, any Confirmation of Allocation Note (“CAN”), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the Offer of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Offer.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its UPI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From December 1, 2023, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along-with the existing process existing timeline of T+3 days.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Bid cum Application Forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

**Authority for the Offer**

The present Public offer of upto 65,78,000 equity shares includes a Fresh issue of 60,78,000 Equity shares and an offer for sale by the Selling Shareholder of 5,00,000 equity shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on April 09, 2024 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on May 13, 2024 in accordance with the provisions of Sections 23(1)(a), 62(1)(c) other applicable provisions, if any, of the Companies Act, 2013.

The Offer for Sale has been authorized by the Selling Shareholder by her consent letter dated March 17, 2023.

Name of the Selling Shareholder	Type	No of Equity Shares offered
Amrit Lal Manwani	Promoter	5,00,000

**Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our MOA and AOA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees, upon Allotment of Equity Shares under this Offer, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, ‘Main Provisions of Article of Association’, beginning on page 285 of this Draft Red Herring Prospectus.

**Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 141 and 285 respectively of this Draft Red Herring Prospectus.

**Face Value and Offer Price**

The face value of each Equity Share is ₹ 10.00 and the Offer Price at the lower end of the Price Band is ₹ [●] per Equity Share (“Floor Price”) and at the higher end of the Price Band is ₹ [●] per Equity Share (“Cap Price”). The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company and the Selling Shareholder in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and Delhi edition of [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Offer Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **The Offer**

The Offer comprises a Fresh issue by our Company and an Offer for Sale by the Selling Shareholder. Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholder in the manner specified in “*Objects of the Offer*” on page 66 of this Draft Red Herring Prospectus.

### **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;
- 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; 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 285 of this Draft Red Herring Prospectus.

### **Allotment only in Dematerialized Form**

As per the provisions of the Depositories Act, 1996 and the regulations made under and Section 29(1) of the Companies Act, 2013 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 Tripartite agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated September 25, 2023 between NSDL, our Company and Registrar to the Offer; and
- Tripartite Agreement dated February 28, 2024 between CDSL, our Company and Registrar to the Offer.

### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE (SME platform of NSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of [●] Equity Shares is subject to a minimum allotment of [●] Equity Shares to the successful Bidders in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Offer shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Offer and the monies collected shall be unblocked forthwith.

### Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts / authorities in Delhi.

**The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

### Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first Bidder, along with other joint Bidder, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidder, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- (a) to register himself or herself as the holder of the Equity Shares; or
- (b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Offer is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the Bidder would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### Period of Subscription List of Public Offer

Event	Indicative Dates
Bid/ Offer Opening Date	[●] <sup>1</sup>
Bid/ Offer Closing Date	[●] <sup>2</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI Id Linked Bank Account* (T+2)	On or about [●]
Credit of Equity Shares to Demat Accounts of Allottees (T+2)	On or about [●]
Commencement of Trading of The Equity Shares on the Stock Exchange (T+3)	On or about [●]

**The above time table is indicative and does not constitute any obligation on our Company. 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 NSE Emerge platform is taken within Three Working Days from the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.**

*Note <sup>1</sup>Our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations*

*<sup>2</sup>Our Company and the Selling Shareholder in consultation with the BRLM, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

*\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.*

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

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

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum- Application Forms are received on the Bid/ Offer Closing Date, as is typically experienced in public Offer, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid-Cum- Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI (ICDR) Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size

of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Offer Closing Date. Allocation to Retail Individual Bidders, in this Offer will be on a proportionate basis.

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

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of any revision to the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Offer Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

### **Minimum Subscription and Underwriting**

This Offer is not restricted to any minimum subscription level and is 100% underwritten. As per Section 39 of the Companies Act, 2013, if the stated minimum amount has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our Company does not receive the 100% subscription of the Offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the Offer, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company and every officer in default will, on and from the expiry of this period, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

Further, in accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Offer is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “**General Information - Underwriting**” on page 53 of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

If the Paid-up Capital of the company is likely to increase above ₹ 25.00 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

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.

### **Market Making**

The shares offered through this Offer are proposed to be listed on the SME Platform of NSE (NSE Emerge), wherein the Book Running Lead Manager to this Offer shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE.

For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to section titled **“General Information - Details of the Market Making Arrangements for this Offer”** on page 54 of this Draft Red Herring Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of National Stock Exchange of India Limited.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this Offer.**

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.

### **Allotment of Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

### **New Financial Instruments**

There are no new financial instruments such as deeply discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this Offer.

### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Offer Equity Shares and Promoters minimum contribution in the Offer as detailed under section titled **“Capital Structure”** beginning on page 57 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled **“Main Provisions of the Articles of Association”** beginning on page 285 of this Draft Red Herring Prospectus.

### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Red Herring Prospectus with the RoC publish a pre-Offer 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.



### **Withdrawal of the Offer**

Our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, reserve the right to not to proceed with the Offer after the Offer Opening Date but before the Allotment. In such an event, our Company would Offer a public notice in the newspapers in which the pre-Offer advertisements were published, within two (2) days of the Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Manager through, the Registrar to the Offer, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one (1) working day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Offer is withdrawn after the designated Date, amounts that have been credited to the Public Offer Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, the Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days of the Bid/ Offer Closing Date or such other time period as prescribed under Applicable Law and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an Offer or offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with the Stock Exchanges. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

*The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

**OFFER STRUCTURE**

This Offer is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post Offer paid up capital is more than ten crores but less or equal to Twenty-five crore rupees shall Offer shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the NSE Emerge i.e. SME platform of NSE). For further details regarding the salient features and terms of such an Offer please refer chapter titled “Terms of the Offer” and “Offer Procedure” on page 248 and 258 of this Draft Red Herring Prospectus.

**Offer Structure:**

The present offer is of upto 65,78,000 Equity Shares of face value of ₹10.00/- each (“Equity Shares”) for cash at a price of ₹ [●] per equity share including a share premium of ₹. [●] per equity share (the “Offer Price”) aggregating to ₹. [●] Lakhs (“the Offer”) by the issuer Company (the “Company”) comprising of a fresh issue of upto 60,78,000 equity shares aggregating to ₹ [●] Lakhs (the “Fresh Issue”) and an Offer for Sale of upto 5,00,000 equity shares by the Selling Shareholder (“Offer for Sale”) aggregating to ₹. [●] Lakhs of which upto [●] equity shares of face value of ₹10.00/- each for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs will be reserved for subscription by Market Maker to The Offer (the “Market Maker Reservation Portion”).

The Offer less the Market Maker Reservation Portion i.e., Net offer of [●] equity shares of face value of ₹. 10.00/- each at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share aggregating to ₹. [●] lakhs (the “Net Offer”). The Offer and the Net Offer will constitute 26.32% and [●]% respectively of the post offer paid up equity share capital of our company. The Offer is being made through the Book Building Process. For further details, please refer chapter titled “Terms of the Offer” on page 248 of this Draft Red Herring Prospectus.

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for allocation	Upto [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares*	Not less than [●] Equity Shares*
Percentage of Offer Size available for allocation	[●] of the Offer Size	Not more than 50% of the Net Offer	Not less than 15% of the Net Offer	Not less than 35% of the Net Offer
Basis of Allotment <sup>(3)</sup>	Firm Allotment	<p>Proportionate as follows (excluding the Anchor Investor Portion):</p> <p>(a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and</p> <p>(b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.</p> <p>Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor</p>	Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares.	Proportionate basis subject to minimum allotment of [●] Equity Shares.

Particulars of the Offer <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Investors	Retail Individual Investors
		Allocation Price		
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.			
<b>Minimum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	[●] Equity Shares
<b>Maximum Bid Size</b>	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding the QIB portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
<b>Trading Lot</b>	[●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
<b>Terms of Payment</b>	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process. (Except for Anchor investors)	Only through the ASBA process	Through ASBA Process Through Banks or by using UPI ID for payment

\* Subject to finalization of basis of allotment.

This Offer is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

- <sup>(1)</sup> Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.
- <sup>(2)</sup> In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post Offer paid-up Equity share capital of the Company. This Offer is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- <sup>(3)</sup> Subject to valid Bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
- <sup>(4)</sup> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Bid cum Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

The Bids by FPIs with certain structures as described under “Offer Procedure - Bids by FPIs” on pages 258 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, 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.

## Withdrawal of the Offer

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Offer at any time before the Bid/ Offer Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Offer after Bid/ Offer Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Offer. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Book Running Lead Manager, through the Registrar to the Offer, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Offer after the Bid/ Offer Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Offer is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Red Herring Prospectus/ Prospectus with RoC.

## Offer Program

Events	Indicative Dates
Bid/ Offer Opening Date	[●] <sup>(1)</sup>
Bid/ Offer Closing Date	[●] <sup>(2)</sup>
Finalization of Basis of Allotment with the Designated Stock Exchange (T+1)	On or about [●]
Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account (T+2)	On or about [●]
Credit of Equity Shares to Demat accounts of Allottees (T+2)	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchange (T+3)	On or about [●]

<sup>1</sup>Our Company and the Selling Shareholder in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.

<sup>2</sup>Our Company and the Selling Shareholder, in consultation with the BRLM, may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, in accordance with the SEBI ICDR Regulations.

The above time table is indicative and does not constitute any obligation on our Company. 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 NSE Emerge is taken within Three Working Days from the Offer Closing Date, the timetable may change due to various factors, such as extension of the Offer Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Offer Period at the Application Centers mentioned in the Bid cum Application Form.

Standardization of cut-off time for uploading of applications on the Offer Closing Date:

- A standard cut-off time of 3.00 p.m. for acceptance of applications.
- A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual Bidders.
- A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual Bidders, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

**OFFER PROCEDURE**

All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the UPI Circulars (the “General Information Document”) which highlights the key rules, processes, and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the Abridged Prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) Designated Date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through its UPI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From December 1, 2023, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process existing timeline of T+3 days.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Offer and Share Transfer Agent (RTA) that have been notified by SME Platform of National Stock Exchange of India Limited (“NSE EMERGE”) to act as intermediaries for submitting Application Forms are provided on [www1.nseindia.com/emerge](http://www1.nseindia.com/emerge) For details on their designated branches for submitting Application Forms, please see the above - mentioned website of Platform of National Stock Exchange of India Limited (“NSE EMERGE”).

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 Book Running 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 Book Running 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 Red Herring 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 Red Herring Prospectus and the Red Herring Prospectus.

All SCSBs offering 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.

Further, the Company and the BRLM are not liable for any adverse occurrence’s consequent to the implementation of the UPI Mechanism for application in this Offer.

**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 RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase 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 Bidder had the option to submit the Bid cum Application Form with any of the intermediary and use his/

her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend 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, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till 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 voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (“T+3 Notification”). In this phase, the time duration from public Offer closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Offer is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering 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 Bidders into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Manager.

## **PART A**

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Offer is being made for at least 25% of the post-Offer paid-up Equity Share capital of our Company. The Offer is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Subject to valid Bids being received at or above the Offer Price, under subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.**

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic

copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Offer through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Offer is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may 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. RIIs using the UPI Mechanism, may 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 NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

**Anchor Investors are not permitted to participate in the Offer through the ASBA process.**

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	[•]
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	[•]
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	[•]

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Offer, shall submit a completed Bid Cum Application form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)

Sr. No.	Designated Intermediaries
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 Offer and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as "Intermediaries"), and intending to use UPI, shall also enter their UPI ID in the Bid cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Offer.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### **Availability of Draft Red Herring Prospectus and Bid cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Offer Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

#### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the



Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);

- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Offer;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Offer, 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 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 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 Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Bidders**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000.

##### **2. For Other than Retail Individual Bidders (Non-Institutional Bidders and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Offer Size. However, the

maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## **METHOD OF BIDDING PROCESS**

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Offer and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Delhi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days prior to the Bid / Offer Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Offer Period.

- a) The Bid / Offer Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Offer Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Offer Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Delhi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.
- b) During the Bid/ Offer Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Offer Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Offer Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Offer. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph “Buildup of the Book and Revision of Bids”.
- e) Except in relation to the Bids received from the Anchor Investors, the BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Offer Period i.e. one working day prior to the Bid/ Offer Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “*Offer Procedure*” beginning on page 258 of this Draft Red Herring Prospectus

- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Offer or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Offer shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Offer, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Offer.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Offer Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other Bidders.

#### **Participation by Associates/ Affiliates of BRLM and the Syndicate Members**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters & Promoter Group can apply in the Offer under the Anchor Investor Portion.

#### **Option to Subscribe in the Offer**

- a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Information for the Bidders:**

1. Our Company and the Book Running Lead Manager shall declare the Offer Opening Date and Offer Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) working days before the Offer Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Offer, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus/ Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Bidders whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Bidders has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Offer will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

**BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Offer for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹200.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than 200.00 Lakhs but upto ₹ 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs:(i)minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹ 100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment, while the remaining 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 12) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 13) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

#### **BIDS BY ELIGIBLE NRIS:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Offer, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the

right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Offer of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

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 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue 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 an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

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 AIF's.

The holding by any individual VCF 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 FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids 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.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important Non-Banking Financial Companies, 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 Bid cum Application Form. Failing this, our Company reserve 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 legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Offer only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS/ PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, 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 nonfinancial 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.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum 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 Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any



amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

### **Terms of payment**

The entire Offer price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer 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 Offer and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of Resident Anchor Investors: — “[●]”
- b. In case of Non-Resident Anchor Investors: — “[●]”
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5.00 p.m. of the Offer Closing Date.

3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - a) the applications accepted by them,
  - b) the applications uploaded by them
  - c) the applications accepted but not uploaded by them or
  - d) With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Offer, 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 Offer. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Offer 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 Offer Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Offer or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum

Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 5.00 p.m. on the Bid/Offer Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Offer Period, after which the Registrar to the Offer will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid/Offer Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Offer.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Offer Period.

#### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Offer Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Offer Price and the Anchor Investor Offer Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under subscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

**Illustration of the Book Building and Price Discovery Process:** Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

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

#### **Signing of Underwriting Agreement and Filing of Red Herring Prospectus/Prospectus with ROC**

- a) Our company has entered into an Underwriting Agreement dated [●]
- b) A copy of Red Herring Prospectus will be registered with the RoC and copy of Prospectus will be filing with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

#### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Draft Red Herring Prospectus with the ROC, publish a pre-Offer advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date and the Bid/Offer Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICRD Regulations. 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.

#### **ADVERTISEMENT REGARDING OFFER PRICE AND PROSPECTUS:**

Our Company will Offer a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Offer Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS:**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/Offer period and withdraw their Bids until Bid/Offer Closing date.

Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.

#### **Do's:**

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first Bidder is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. 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;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum 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 Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹ 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

### **Other instructions for the Bidders**

#### **Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid\ cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **Investor Grievance**

In case of any pre-Offer or post Offer related problems regarding demat credit / refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

#### **Nomination Facility to Bidders**

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 Bidders should inform their respective DP.

#### **Submission of Bids**

- a) During the Bid/Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

### **GROUND OF TECHNICAL REJECTIONS**

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/Offer Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.
- Grounds of rejection to such applications which may be rejected by the exchange by its circular reference no: 07/2024 dated June 05, 2024. The relevant circular can be read at <https://nsearchives.nseindia.com/content/circulars/IPO62335.pdf>

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock

Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

- c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

## **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer. However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders**

Bids received from the Retail Individual Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Offer Price.

The Net Offer size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Offer Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

#### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Offer Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Offer Price.

The Net Offer size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Offer at a price that is equal to or greater than the Offer Price. If the aggregate demand in this category is less than or equal to [●]Equity Shares at or above the Offer Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Offer Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### **c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
- In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Offer Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:



- In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Offer Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
  - iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
    - a maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
    - in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

**c) In the event that the Offer Price is higher than the Anchor Investor Allocation Price:**

Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors

**d) In the event the Offer Price is lower than the Anchor Investor Allocation Price:**

Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

**e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed Offer:**

In the event of the Offer being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge i.e. SME platform of NSE) (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b. The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c. For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:

- Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d. If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Offer specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Offer.

The Book Running Lead Manager or the Registrar to the Offer will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Offer Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date:**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Offer.

The Company will Offer and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/Offer Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

#### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be

syndicate members in an Offer 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 Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of 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)

### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Offer will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Offer.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Offer, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post Offer 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 SME Platform of NSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Offer 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 6 (Six) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Offer 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 Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Bidders 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.”

### **Undertakings by Our Company**

We undertake as follows:

1. That the complaints received in respect of the Offer shall be attended expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Offer Closure date.
3. That the funds required for making refunds as per the modes 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 Offer by our Company;
4. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoter 's contribution in full has already been brought in;
6. That no further Offer of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.;
7. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
8. If our Company does not proceed with the Offer after the Bid/Offer Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the Pre-Offer advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
9. If our Company withdraws the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Offer;
10. If 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. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

### **Undertakings by the Selling Shareholder**

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholder in this Draft Red Herring Prospectus shall be deemed to be “**Statements and Undertakings made by the Selling Shareholder**”. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholder. The Selling Shareholder specifically confirms and undertakes the following in respect of himself and the Equity Shares being offered by him pursuant to the Offer for Sale:

- i) The portion of the offered Shares shall be transferred in the Offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Offer, and without any objection by it and in accordance with the instructions of the Registrar to the Offer.
- ii) it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose off any of its respective Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations;
- iii) The portion of the offered Shares have been held by the Selling Shareholder for a minimum period of one year prior to the date of filing the Draft Red Herring Prospectus, such period determined in accordance with Regulation 26 (6) of the SEBI ICDR Regulations.
- iv) He is the legal and beneficial owner and has full title of its respective portion of the offered Shares.
- v) That he shall provide all reasonable co-operation as requested by our Company and the Lead Manager in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of his portion of the offered Shares.
- vi) He will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges.
- vii) He will deposit his respective portion of the offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Prospectus with the RoC.
- viii) He shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making a Application in the Offer, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes a Application in the Offer, except as permitted under applicable law;
- ix) That he will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the Book Running Lead Manager in redressal of such investor grievances that pertain to the Equity Shares held by him and being offered pursuant to the Offer.

The Selling Shareholder has authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Applicants in respect of the Offer for Sale.

#### **Utilization of Offer Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Offer 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 Offer referred above shall be disclosed and continue to be disclosed till the time any part of the Offer 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 Offer, 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 Offer.
- 5) Our Company shall not have recourse to the Offer 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 Book Running Lead Manager undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated September 25, 2023 between NSDL, our Company and Registrar to the Offer; and
- b) Tripartite Agreement dated February 28, 2024 between CDSL, our Company and Registrar to the Offer.
- c) The Company's equity shares bear an ISIN No. INE0N5801013.

## **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 Foreign Exchange Management Act, 1999 (“FEMA”). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India (“RBI”) and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”).

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the “FDI Policy”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the 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 Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India. Each Bidder 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 Bidder 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 and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% 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 FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

**Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as “Capital Instruments”) of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should 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 warrants; 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.

**Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (“US Securities Act”) or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of “US Persons” as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2003/71/EC, together with any amendments) and implementing measures thereto, (the “Prospectus Directive”) has been or will be made in respect of the Offer in any member State of the European Economic Area which has implemented the Prospectus Directive except for any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Offer.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Draft Red Herring Prospectus.

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 Application 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 Bidders. Our Company, the Selling Shareholder and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

*Pursuant to Schedule I of the Companies Act, and the SEBI (ICDR) Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.*

*The following regulations comprised in the Articles of Association were adopted pursuant to the member's special resolution passed at the Extra Ordinary General Meeting held on March 20, 2023. In substitution for, and to the entire exclusion of, the earlier regulation comprised in the extant Articles of Association of the Company.*

**INTERPRETATION**

- I. 1. In these regulations-
  - b. "the Act" means the Companies Act, 2013,
  - c. "the seal" means the common seal of the company.
2. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.

**SHARE CAPITAL AND VARIATION OF RIGHTS**

- II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2.
  - i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,-
    - a. one certificate for all his shares without payment of any charges; or
    - b. several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
  - ii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid - up thereon.
  - iii. In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3.
  - i. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
  - ii. The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.
4. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
5.
  - i. The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
  - ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.



- iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6.
    - i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
    - ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
  7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.
  8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

#### **LIEN**

9.
  - i. The company shall have a first and paramount lien
    - a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
    - b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:  
Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
  - ii. The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
  - iii. That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made-
  - a. unless a sum in respect of which the lien exists is presently payable; or
  - b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11.
  - i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof
  - ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
12.
  - i. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

#### **CALLS ON SHARES**

13.
  - i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than

one month from the date fixed for the payment of the last preceding call.

- ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
  - iii. A call may be revoked or postponed at the discretion of the Board.
  - iv. That any amount paid up in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits
14. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.

The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board -
- a. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him and
  - b. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

#### **TRANSFER OF SHARES**

19. i. The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
- iii. That a common form of transfer shall be used
20. i. The Board may, subject to the right of appeal conferred by section 58 decline to register—
- ii. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - iii. any transfer of shares on which the company has a lien.
21. The Board may decline to recognise any instrument of transfer unless—
- a. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - b. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - c. the instrument of transfer is in respect of only one class of shares.

That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account whatsoever

22. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

#### **TRANSMISSION OF SHARES**

23. i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares
- ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- iii. That a common form of transmission shall be used
24. i. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either-
- a. to be registered himself as holder of the share; or
- b. to make such transfer of the share as the deceased or insolvent member could have made.
- ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
25. i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
26. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

#### **FORFEITURE OF SHARES**

27. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall-
- a. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- b. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

30.
  - i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31.
  - i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
  - ii. The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32.
  - i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
  - ii. The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
  - iii. The transferee shall thereupon be registered as the holder of the share; and
  - iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

#### **ALTERATION OF CAPITAL**

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution-
  - i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; and
  - iv. cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
  - v. Permission for sub-division/ consolidation of share certificates
36. Where shares are converted into stock,-
  - the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
  - Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
  - the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of

stock which would not, if existing in shares, have conferred that privilege or advantage.

- such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law-

- it share capital;
- any capital redemption reserve account; or
- any share premium account.

#### **CAPITALISATION OF PROFITS**

38. The company in general meeting may, upon the recommendation of the Board, resolve-

- i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and
- ii. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- iii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards-
  - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - b. paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - c. partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
- iv. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
- v. The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. i. Whenever such a resolution as aforesaid shall have been passed, the Board shall-

- a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all
- b. allotments and issues of fully paid shares if any; and
- c. generally do all acts and things required to give effect thereto.

ii. The Board shall have power-

- a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
- b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

iii. Any agreement made under such authority shall be effective and binding on such members

#### **BUY-BACK OF SHARES**

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

#### **GENERAL MEETINGS**

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42.
  - i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
  - ii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

#### **PROCEEDINGS AT GENERAL MEETINGS**

43.
  - i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
  - ii. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.
44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

#### **ADJOURNMENT OF MEETING**

47.
  - i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
  - ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
  - iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **VOTING RIGHTS**

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,
  - i. on a show of hands, every member present in person shall have one vote;
  - ii. and on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
  - iii. That option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50.
  - i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
  - ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded maybe proceeded with, pending the taking of the poll.

53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
54. i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

#### **PROXY**

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

#### **BOARD OF DIRECTORS**

58. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. The following are the First Directors of the Company:
1. Mr. Amrit Lal Manwani
  2. Mr. Varun Manwani
  3. Mrs. Arunima Manwani

59. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them-

- in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
  - in connection with the business of the company.
60. The Board may pay all expenses incurred in getting up and registering the company.
61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64. i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.
- ii. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

## PROCEEDINGS OF THE BOARD

65. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.
66. i. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- ii. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. i. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- ii. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. i. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- ii. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. i. A committee may elect a Chairperson of its meetings.
- ii. If no such Chairperson is elected, or if at any meeting the 72 Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. i. A committee may meet and adjourn as it thinks fit.
- ii. Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

## CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER

74. Subject to the provisions of the Act,
- i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by



or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

#### **THE SEAL**

76. i. The Board shall provide for the safe custody of the seal.
- ii. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **DIVIDENDS AND RESERVE**

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79. i. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- ii. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
80. i. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- ii. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- iii. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly. That there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82. i. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- ii. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85. No dividend shall bear interest against the company.

### **ACCOUNTS**

86.       i.   The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- ii.   No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

### **WINDING UP**

87.       Subject to the provisions of Chapter XX of the Act and rules made thereunder-
- i.   If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- ii.   For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- iii.   The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **INDEMNITY**

88.       Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

**SECTION X – 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 the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/Prospectus, delivered to the Registrar of Companies, for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

**Material Contracts**

1. Offer Agreement dated May 31, 2024 between our Company, Selling Shareholder and the Book Running Lead Manager to the Offer.
2. Registrar Agreement dated June 10, 2024 executed between our Company, Selling Shareholder and the Registrar to the Offer.
3. Banker to the Offer Agreement dated [●] among our Company, Selling Shareholder, Book Running Lead Manager, Banker to the Offer and the Registrar to the Offer.
4. Monitoring agency agreement dated [●] among our Company and the Monitoring Agency.
4. Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, Selling Shareholder, Book Running Lead Manager and Underwriter.
6. Syndicate Agreement dated [●] among our Company, the BRLM and Syndicate Member
7. Share Escrow Agreement dated [●] between our Company, Selling Shareholder, the BRLM and Share Escrow agent.
8. Tripartite Agreement dated February 28, 2024 among CDSL, the Company and the Registrar to the Offer.
9. Tripartite Agreement dated September 25, 2023 among NSDL, the Company and the Registrar to the Offer.

**Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated February 22, 2023 issued by the Registrar of Companies, Central Registration Centre.
3. Copy of the Board Resolution dated April 09, 2024 authorizing the Offer and other related matters.
4. Copy of Shareholder's Resolution dated May 13, 2024 authorizing the Offer and other related matters.
5. Copies of Audited Financial Statements of our Company for the period/ financial year ended March 31, 2024, March 31, 2023, February 21, 2023 and March 31, 2022.
6. Statutory Auditor Report dated June 11, 2024 on the Restated Financial Statements for the period/ financial year ended March 31, 2024, March 31, 2023, February 21, 2023 and March 31, 2022.
7. Copy of the Statement of Special Tax Benefits dated June 11, 2024 from the Statutory auditor.
8. Statutory Auditor Report dated June 22, 2024 on Proforma Financial Statements of our Company for the year ended March 31, 2024.
9. Certificate on Key Performance Indicators (KPI's) issued by Statutory Auditor dated June 11, 2024.
10. Consents of the Book Running Lead Manager to the Offer, Legal Advisor to the Offer, Registrar to the Offer, Market Maker, Syndicate Member, Underwriter, Monitoring Agency, Banker to the Offer/ Sponsor Bank, Statutory Auditor of the Company, Bankers to our Company, Directors, Promoters, Selling Shareholder, Company Secretary and Compliance Officer and Chief Financial Officer, as referred to, in their respective capacities.
11. Authorization Letter from Selling Shareholder for Offer for sale dated April 08, 2024.
12. Board Resolution dated June 25, 2024 for approval of Draft Red Herring Prospectus and dated [●] for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
13. Due Diligence Certificate from Book Running Lead Manager dated June 25, 2024.
14. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge (SME Platform) of the National Stock Exchange of India Limited.

**DECLARATION**

I, **Amrit Lal Manwani**, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings including statements made by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

**DECLARATION BY SELLING SHAREHOLDER**

Name	Signature
Amrit Lal Manwani Promoter Selling Shareholder	Sd/-

Date: June 25, 2024

Place: Delhi

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Amrit Lal Manwani Chairman & Managing Director DIN: 00920206	Sd/-

Date: June 25, 2024

Place: Delhi

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Arunima Manwani Whole Time Director DIN: 06996141	Sd/-

Date: June 25, 2024

Place: Spain

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Varun Manwani Non-Executive Director DIN: 00921735	Sd/-

Date: June 25, 2024

Place: Spain

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Abhilasha Gaur Independent Director DIN: 07607862	Sd/-

Date: June 25, 2024

Place: Delhi



**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Pradeep Kumar Independent Director DIN: 00505518	Sd/-

Date: June 25, 2024

Place: Delhi

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Udayan Mukerji Independent Director DIN: 03636654	Sd/-

Date: June 25, 2024

Place: Delhi

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Maneesh Tiwari Chief Financial Officer	Sd/-

Date: June 25, 2024

Place: Delhi

**DECLARATION**

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Neha Tahir Company Secretary & Compliance officer M. No.: A46571	Sd/-

Date: June 25, 2024

Place: Delhi