



(Please scan this QR code to view the Draft Red-herring Prospectus)

# DRAFT RED HERRING PROSPECTUS

Dated: May 16, 2025



Please read Section 26 and 32 of the Companies Act, 2013

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

100% Book Built Issue



## ARC DISTRIBUTORS (I) LIMITED (Formerly Known as ARC Distributors (I) Private Limited) Corporate Identity Numbers: U46909MH2008PLC180740

REGISTERED & CORPORATE OFFICE		CONTACT PERSON		TELEPHONE AND EMAIL		WEBSITE	
ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India		Pragnesh Ganpat Patel, Company Secretary and Compliance Officer		Tel No: 022 2860 2323 Email Id: <a href="mailto:info@arc-distributors.com">info@arc-distributors.com</a>		<a href="http://www.arc-distributors.com">www.arc-distributors.com</a>	
PROMOTERS OF OUR COMPANY: DEVANG CHAMPAKLAL GORADIA, GAURANG CHAMPAKLAL GORADIA, VAISHALI HITESH MANE							
DETAILS OF THE ISSUE							
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE	ELIGIBILITY 229(1) / 229(2) & SHARE RESERVATION AMONG QIB, NIB & Individual Bidder			
Fresh Issue	Upto 24,00,000 Equity Shares of Face Value ₹ 10/- each aggregating to ₹ [●] Lakhs	Nil	Upto 24,00,000 Equity Shares of Face Value ₹ 10/- each aggregating to ₹ [●] Lakhs	The Issue is being made pursuant to Regulation 229 (1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”). For details of share reservation among NIIs and Individual Investors, see “Issue Structure” on page 271 of this Draft Red Herring Prospectus.			
DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES							
RISK IN RELATION TO THE FIRST ISSUE							
This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in “Basis for Issue Price” on page 93 of this Draft Red Herring Prospectus. or in case where, Price Band is not disclosed otherwise, will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily Marathi regional language newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.							
GENERAL RISKS							
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to section titled “Risk Factors” appearing on page 26 of this Draft Red Herring Prospectus.							
ISSUER’S ABSOLUTE RESPONSIBILITY							
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.							
LISTING							
The Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited (BSE SME or BSE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an ‘in-principle’ approval letter dated [●] from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE. For this Issue, the Designated Stock Exchange will be BSE Limited (BSE).							
BOOK RUNNING LEAD MANAGER TO THE ISSUE							
NAME AND LOGO			CONTACT PERSON		EMAIL & TELEPHONE		
			CUMULATIVE CAPITAL PRIVATE LIMITED		Jigar Bhanushali / Swapnilsagar Vithalani		
					contact@cumulativecapital.group +91 820 005 2280/ 981 966 2664		
REGISTRAR TO THE ISSUE							
NAME AND LOGO			CONTACT PERSON		EMAIL & TELEPHONE		
			KFIN TECHNOLOGIES LIMITED		M Murali Krishna		
					adil.ipo@kfintech.com +91 40 6716 2222		
BID/ISSUE PERIOD							
Anchor Investor Bidding Date: [●]*			Bid/Issue Opens On: [●]			^Bid/Issue Closes On: [●]**	

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

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

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

**DRAFT RED HERRING PROSPECTUS**

Dated: May 16, 2025

Please read Section 26 and 32 of the Companies Act, 2013  
100% Book Built Issue**ARC DISTRIBUTORS (I) LIMITED**  
(Formerly Known as ARC Distributors (I) Private Limited)  
Corporate Identity Number: U46909MH2008PLC180740

Our Company was incorporated as a Private Limited Company (the “Issuer” or our “Company”) in the name ‘ADF Overseas Private Limited’, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 02, 2008 issued by the Registrar of Companies, Maharashtra at Mumbai. Subsequently, pursuant to a special resolution passed by the shareholders of our company in the Extra-Ordinary General Meeting held on October 12, 2011, our Company’s name was changed from ‘ADF Overseas Private Limited’ to ‘ARC Distributors (I) Private Limited’ and a fresh Certificate of Incorporation was issued on October 24, 2011. Subsequently, pursuant to a special resolution passed by the shareholders of our company in the Extra-Ordinary General Meeting held on July 31, 2024, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to ‘ARC Distributors (I) Limited’ and a Fresh Certificate of Incorporation consequent to Conversion was issued on November 05, 2024 by the Registrar of Companies, Central Processing Centre. The Corporate Identity Number of the Company is U46909MH2008PLC180740. For details of change in registered office of our Company, please refer to chapter titled “History and Corporate Structure” beginning on page 162 of this Draft Red Herring Prospectus.

**Registered Office:** ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India**Telephone No:** 022 2860 2323; **Website:** [www.arc-distributors.com](http://www.arc-distributors.com); **E-Mail:** [info@arc-distributors.com](mailto:info@arc-distributors.com)**Contact Person:** Pragnesh Ganpat Patel, Company Secretary and Compliance Officer**Promoters of our Company:** Devang Champaklal Goradia, Gaurang Champaklal Goradia, Vaishali Hitesh Mane**DETAILS OF THE ISSUE**

INITIAL PUBLIC ISSUE OF UPTO 24,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF ARC DISTRIBUTORS (I) LIMITED (“ARC” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹ [●] LAKHS (THE “ISSUE”), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE AGGREGATING TO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE UPTO [●] % AND [●] %, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND EDITIONS OF [●] MARATHI DAILY NEWSPAPER (MARATHI BEING REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED) EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE LIMITED (“BSE”) FOR THE PURPOSE OF UPLOADING ON ITS WEBSITE IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS. FOR FURTHER DETAILS KINDLY REFER TO CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 260 OF THIS DRAFT RED HERRING PROSPECTUS.

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

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 (1) and 253 (2) of the SEBI ICDR Regulations 2018 and as amended, wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company and the selling shareholders in consultation with the BRLMs may allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis (“Anchor Investor Portion”). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. 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 (other than the Anchor Investor Portion) (“Net QIB Portion”). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, the SEBI ICDR Regulations read with SEBI ICDR, 2018 and amendments thereto, states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of shares in non-institutional investors’ category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) Regulations, 2018 and as amended. All Potential Bidders, other than Anchor Investors, are required to participate in the Issue by mandatorily utilising the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self-Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details in this regard, specific attention is invited to “Issue Procedure” on page 277 of this Draft Red Herring Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10.00 each. The Floor Price, the Cap Price and the Issue Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 26 of this Draft Red Herring Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited (BSE SME or BSE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an ‘in-principle’ approval letter dated [●] from BSE for using its name in this offer document for listing our shares on the SME Platform of BSE Limited. For this Issue, the Designated Stock Exchange will be the BSE Limited (BSE).

**PUBLIC COMMENTS**

This Draft Red Herring Prospectus has been filed on the SME platform of BSE and is open for Public Comments for a period of 21 days till 5:00 p.m. from the date of Filing of this Draft Red Herring Prospectus with the Designated Stock Exchange. All comments on this Draft Red Herring Prospectus are to be sent through post or email to the kind attention of the Compliance Officer of our Company. Please note that all comments by post must be received by the Issuer by 5:00 p.m. on the 21st day from the date on which this Draft Red Herring Prospectus is hosted on the website of the Designated Stock Exchange. All comments received on this Draft Red Herring Prospectus will be suitably addressed prior to filing of the Prospectus with the ROC.

**BOOK RUNNING LEAD MANAGER**

**CUMULATIVE CAPITAL PRIVATE LIMITED**  
321, 3rd Floor, C Wing, 215 Atrium Co Op. Premises, Andheri Kurla Road, Hanuman Nagar, Andheri (E) Mumbai - 400 093, Maharashtra, India.  
**Telephone:** +91 820 005 2280 / 981 966 2664  
**Email:** [contact@cumulativecapital.group](mailto:contact@cumulativecapital.group)  
**Investor grievance email:** [investor@cumulativecapital.group](mailto:investor@cumulativecapital.group)  
**Website:** [www.cumulativecapital.group](http://www.cumulativecapital.group)  
**Contact Person:** Jigar Bhanushali / Swapnilsagar Vithalani  
**SEBI registration number:** INM000013129  
**CIN:** U64910MH2023PTC414974

**REGISTRAR TO THE ISSUE**

**KFIN TECHNOLOGIES LIMITED**  
Address: 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Kurla, Mumbai, Mumbai, Maharashtra, India, 400070  
**Telephone:** +91 40 6716 2222  
**Email:** [adil.ipo@kfintech.com](mailto:adil.ipo@kfintech.com)  
**Investor grievance email:** [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
**Contact Person:** M Murali Krishna  
**Website:** [www.kfintech.com](http://www.kfintech.com)  
**SEBI Registration Number:** INR000000221

**BID/ISSUE PERIOD****Anchor Investor Bidding Date:** [●]\***Bid/Issue Opens On:** [●]\***^Bid/Issue Closes On:** [●]\*\*

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

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

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

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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, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

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

*Notwithstanding the foregoing, terms defined in “Basis for Issue Price”, “Statement of possible Special Tax Benefits”, “Industry Overview”, “Key Industry Regulations and Policies”, “Financial Information”, “Outstanding Litigation and Other Material Developments”, “Restriction on Foreign Ownership of Indian Securities” and “Main Provisions of Articles of Association” beginning on pages 93, 99, 102, 157, 192, 237, 314 and 315 respectively will have the meaning ascribed to such terms in those respective sections.*

### GENERAL AND COMPANY RELATED TERMS

Term	Description
“ARC”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	ARC Distributors(I) Limited, a public limited company, incorporated as a Private Limited Company under the Companies Act, 1956 and having its registered office at ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India
Our Promoters	The Promoters of our Company being Devang Champaklal Goradia, Gaurang Champaklal Goradia and Vaishali Hitesh Mane. For further details, please refer to chapter titled “Our Promoters and Promoter Group” beginning on page 184 of this Draft Red Herring Prospectus.
Promoter Group	Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “Our Promoters and Promoter Group” beginning on page 184 of this Draft Red Herring Prospectus.

### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Unless the context otherwise requires, refers to the Articles of Association of ARC Distributors (I) Limited as amended from time to time.
Audit Committee	The Audit Committee of the Board of Directors is constituted on March 24, 2025 in accordance with Section 177 of the Companies Act, 2013. For details refer to the section titled “Our Management” on page 167 of this Draft Red Herring Prospectus.
Auditor of our Company /Peer Reviewed Auditor/ Statutory Auditor	The Statutory Auditor & Peer Review Auditor of our Company, being M/s R H D B & Co LLP, Chartered Accountants, as mentioned in the section titled “General Information” beginning on page 57 of this Draft Red Herring Prospectus.
Banker to the Company	Bankers to the Company being IDBI Bank Limited and Axis Bank Limited, as mentioned in the section titled “General Information” beginning on page 57 of this Draft Red Herring Prospectus.
Board of Directors / Board / Directors (s)	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our directors, please refer to chapter titled “Our Management” beginning on page 167 of this Draft Red Herring Prospectus.
Companies Act	The Companies Act, 1956 and/or the Companies Act, 2013 as amended from time to time.
CIN	U46909MH2008PLC180740
Chairman / Chairperson	Devang Champaklal Goradia is the Chairman and Managing Director of our Company. For details with respect to his profile, see “Our Management – Brief Profile of our Directors” on page 169 of this Draft Red Herring Prospectus.

<b>Term</b>	<b>Description</b>
Chief Financial Officer (CFO)	Sanchit Mahesh Sawant, the Chief Financial Officer of our Company. For details with respect to his profile, see “ <i>Our Management – Key Managerial Personnel and Senior Management</i> ” on page 180 of This Draft Red Herring Prospectus.
Company Secretary and Compliance Officer (CS)	Pragnesh Ganpat Patel, the Company Secretary and Compliance Officer of our Company. For details with respect to her profile, see “ <i>Our Management – Key Managerial Personnel and Senior Management</i> ” on page 180 of This Draft Red Herring Prospectus.
Committee(s)	Duly constituted committee(s) of our Board of Directors
Corporate Office	ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time.
DIN	Director Identification Number
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10/- each unless otherwise specified in the context thereof
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company
Executive Directors	An Executive Director of our Company, as appointed from time to time
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)
Group Companies / Entities	Such companies / entities as covered under the applicable accounting standards and such other companies as considered material by the Board. For details of our Group Companies / entities, please refer “ <i>Our Group Companies</i> ” on page 190 of this Draft Red Herring Prospectus.
Independent Director	A Non-Executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Indian ASs	Indian Accounting Standards
ISIN	International Securities Identification Number. The Company’s ISIN is INE13KK01010
Key Managerial Personnel / KMP(s)	Key managerial personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as described in “ <i>Our Management – Key Managerial Personnel and Senior Management</i> ” on page 180 of this Draft Red Herring Prospectus.
Materiality Policy	The policy adopted by our Board pursuant to its resolution dated March 24, 2025, or identification of material (a) outstanding litigation proceedings of our Company, our Promoters and our Directors; (b) group companies; and (c) creditors, pursuant to the disclosure requirements under the SEBI ICDR Regulations, for the purposes of disclosure in this Draft Red Herring Prospectus
MD	Managing Director of our Company, being Devang Champaklal Goradia is the Chairman and Managing Director of our Company.
MOA/ Memorandum / Memorandum of Association	The Memorandum of Association of our Company as amended from time to time
Non-Residents	A person resident outside India, as defined under FEMA, 1999.
Nomination and Remuneration Committee	The Nomination and Remuneration Committee of our Company, constituted on March 24, 2025 in accordance with Section 178 of the Companies Act, 2013, as described in “ <i>Our Management – Corporate Governance</i> ” beginning on page 167 of this Draft Red Herring Prospectus.
Non-Executive Director	The non-executive director(s) of our Company, including our Independent Directors, namely Vaishali Hitesh Mane, Vaibhav Vishnu Pawar, Sumit Rameshbhai Gosrani and Hiren Mahendra Mehta. For details of our Non-Executive Directors, see “ <i>Our Management</i> ” on page 167 of this Draft Red Herring Prospectus.
NRIs / Non-Resident Indians	A person resident outside India, who is a citizen of India or is a Person of Indian Origin (PIO) as per the Foreign Exchange Management (Deposit) Regulations, 2000 and other applicable FEMA regulations.
Registered Office	ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India
Restated Financial Information	The Restated Financial Information of our Company comprising of the Restated Statement of Assets & Liabilities as at stub period ended December 31, 2024 and the

Term	Description
	<p>Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statement of Profit and Loss, the Restated Statement of Cash Flows for the stub period ended on December 31, 2024 and the Financial Years ended on March 31, 2024, March 31, 2023 and March 31, 2022 and the material accounting policies and explanatory notes.</p> <p>The Restated Statements have been prepared to comply in all material aspects with the requirements of (a) Section 26 of Part I of Chapter III of the Companies Act, 2013; (b) the SEBI ICDR Regulations; (c) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended (the “<b>Guidance Note</b>”); and (d) the AS notified under the Companies (Accounting Standards) Rules, 2021 (as amended from time to time), presentation requirements of Division I of Schedule III to the Companies Act, 2013, (AS compliant Schedule III), as applicable to the financial statements and other relevant provisions of the Companies Act.</p> <p>The Restated Statements have been compiled from Audited financial statements of our Company as at and for the stub period ended on December 31, 2024 and for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022 which were in accordance with AS.</p>
ROC / Registrar of Companies	Registrar of Companies, Maharashtra at Mumbai.
Senior Management	The Senior Management of our Company in terms of Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and described in “ <i>Our Management – Key Managerial Personnel and Senior Management</i> ” on page 180 of this Draft Red Herring Prospectus.
Stakeholders Relationship Committee	The Stakeholders’ Relationship Committee of our Company, constituted on March 24, 2025 in accordance with Section 178 of the Companies Act, 2013, as described in “ <i>Our Management – Corporate Governance</i> ” beginning on page 167 of this Draft Red Herring Prospectus.
Whole-Time Director	Whole-Time Director of our Company, being Gaurang Champaklal Goradia

## ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.
Allotment / Allot / Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue pursuant to 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
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Red Herring Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorising a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Form(s)	An application form, whether physical or electronic, used by ASBA Bidders Bidding through the ASBA process, which will be considered as the application for Allotment in terms of the Prospectus and the Prospectus.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 lakhs.

<b>Terms</b>	<b>Description</b>
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors during the Anchor Investor Bid/Issue Period in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager.
Anchor Investor Application Form	Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investor, and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager.
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/Issue Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Issue Price, not later than two Working Days after the Bid/ Issue Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the Book Running Lead Manager, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, 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 Allocation Price, in accordance with the SEBI ICDR Regulations.
Basis of Allotment	The basis on which Equity Shares will be allotted to successful applicants under the Issue and which is described in 'Basis of allotment' under chapter titled "Issue Procedure" beginning on Page 277 of this Draft Red Herring Prospectus.
Bankers to the Issue and Refund Banker	[●]
Bid	An indication to make an offer during the Bid / Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Bidder pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid, including an ASBA Form, and which shall be considered as the application for the Allotment of Equity Shares pursuant to the terms of the Prospectus.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Issue Closing Date	<p>The date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), [●] and editions of Maharashtra (a widely circulated Regional language daily newspaper) (Marathi being the regional language of Maharashtra, where our Registered Office is located).</p> <p>Our Company in consultation with the BRLM, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchange, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations.</p>
Bid/Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national



Terms	Description
	daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper), [●] and editions of Maharashtra (a widely circulated Regional language daily newspaper) (Marathi being the regional language of Maharashtra, where our Registered Office is located).
Bid/ Issue Period	<p>The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders.</p> <p>Our Company in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.</p> <p>In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid /Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days</p>
Bidder/ Investor	Any prospective investor who makes a bid for Equity Shares in terms of Red Herring Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Bid Amount	The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Red Herring Prospectus.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Cumulative Capital Private Limited, SEBI Registered Category I Merchant Banker.
Business Day	Monday to Friday (except public holidays).
Broker Centers	Broker Centers notified by the Stock Exchanges where 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.
BSE SME	SME Platform of BSE Limited for listing of equity shares issued under Chapter IX of the SEBI ICDR Regulations
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to being a minimum of 105% of the Floor Price
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure bids at the Designated CDP 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 Issue and the Stock Exchange.
Cut-off Price	Issue Price, finalised by our Company, in consultation with the BRLM, which shall be any price within the Price Band.



<b>Terms</b>	<b>Description</b>
	Only Individual Bidders Bidding in the Individual Investors' Portion are entitled to Bid at the Cutoff Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Designated CDP Locations	Such locations of the CDPs where 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 websites of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a> .
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of this Draft Red Herring Prospectus, after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may Allot Equity Shares to successful Bidders in the Issue.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father/husband, investor status, occupation and Bank Account details.
Designated Intermediaries	The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
Designated Market Maker / Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such Individual Investor using the UPI Mechanism), a list of which is available on the website of SEBI at Intermediaries <a href="http://www.sebi.gov.in">www.sebi.gov.in</a> or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited (BSE)
Designated RTA Locations	Such locations of the RTAs where the 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 website of the Stock Exchange i.e. <a href="http://www.bseindia.com">www.bseindia.com</a> .
DP ID	Depository Participant's Identification Number.
Draft Red Herring Prospectus / DRHP	This Draft Red Herring Prospectus filed with the Stock Exchange and issued in accordance with the SEBI ICDR Regulations which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Issue, including any addenda or corrigenda thereto.
Eligible FPI (s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/invitation under the Issue and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
Eligible NRI (s)	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Escrow Account	Accounts opened with the Banker to the Issue
Escrow and Sponsor Bank Agreement	Agreement dated [●] to be entered into by our Company, the Registrar to the Issue, the BRLM, the Syndicate Members and the Banker(s) to the Issue for, among other things, the appointment of the Sponsor Bank, the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof

Terms	Description
Escrow Collection Bank	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Engagement Letter	The engagement letter dated January 20, 2025, between our Company and the BRLM.
First/ Sole bidder	The bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, not being less than the face value of Equity Shares, at or above which the Issue 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 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
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
First Applicant	Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof.
Foreign Portfolio Investor / FPIs	Foreign Portfolio Investor as defined under SEBI FPI Regulations.
“General Information Document” or “GID	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018 notified by SEBI.
GIR Number	General Index Registry Number
IPO	Initial Public Offering
Individual Investors / Individual Bidders	minimum application size shall be two lots per application, such that the minimum application size shall be above ₹ 2 lakhs. (including HUFs applying through their Karta) and Eligible.
Individual Investors’ Portion	The portion of the Net Issue being not less than 35% of the Net Equity Shares which shall be available for allocation to Individual Investors in accordance with the SEBI ICDR Regulations.
Issue / Offer/Issue Size /Offer Size/ Public Issue/ Public Offer	The Initial Public Issue of up to 24,00,000 Equity Shares for cash at a price of ₹ [●] each (including premium of per ₹ [●] each) aggregating ₹ [●] Lakhs comprising the Net Issue and the Market Maker Reservation Portion
Issue Agreement	The agreement dated April 02, 2025 entered amongst our Company and the Book Running Lead Manager, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Issue
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their Bidding application
Issue Proceeds	The proceeds of the Issue which shall be available to our Company. For further information about use of the Issue Proceeds, see “Objects of the Issue” on page 80 of this Draft Red Herring Prospectus.
Issue Price	The final price at which Equity Shares will be Allotted to ASBA Bidders, in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price in terms of the Red Herring Prospectus.

Terms	Description
	The Issue Price will be decided by our Company, in consultation with the BRLM on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus
Lot Size	Lot Size for the Issue being [●]
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Agreement to be signed between our Company and the SME Platform of BSE Limited.
Market Maker	The Market Maker to the Issue, in this case being [●].
Market Maker Reservation Portion	The Reserved portion of up to [●] Equity shares of ₹[●]/- each at an Issue Price of ₹ [●]/- aggregating to ₹ [●] Lakhs for Designated Market Maker in the Public Issue of our Company
Market Making Agreement	The agreement dated [●] entered amongst our Company, Designated Market Maker and the Book Running Lead Manager, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain market making arrangements are agreed to in relation to the Issue
Mobile App (s)	The mobile applications listed on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> or such other website as may be updated from time to time, which may be used by UPI Bidders to submit Bids using the UPI Mechanism as provided under 'Annexure A' for the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019
Minimum Application Size	Two lots of value of above Rs. 2.00 lakhs
Minimum NIB Application Size	Bid amount of more than ₹2.00 Lakhs in the specified lot size
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
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 Issue Price
Net Issue	The Issue less the Market Maker Reservation Portion
Net Proceeds	The Gross Proceeds from the Issue less the Issue related expenses. For further details regarding the use of the Net Proceeds and the Issue related expenses, see " <i>Objects of the Issue</i> " on page 80 of this Draft Red Herring Prospectus.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non – Institutional Bidders / NIBs	All Bidders that are not QIBs or Individual Bidders and who have Bid for Equity Shares for an amount more than ₹2.00 lakhs (but not including NRIs other than Eligible NRIs)
Non - Institutional Portion	The portion of the Net Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price
Non-Resident / NR	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs registered with SEBI and FVCIs registered with SEBI
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
OCB / Overseas Corporate Body	Overseas corporate body, a company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue
Offer Document	Offer Document includes Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.
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.

<b>Terms</b>	<b>Description</b>
Price Band	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot for the Issue will be decided by our Company, in consultation with the BRLM, and will be advertised in all editions of the English National Daily newspaper [●], all editions of the Hindi National Daily newspaper [●], and Maharashtra edition of Regional language daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located) at least two Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchange for the purpose of uploading on its website.
Pricing Date	The date on which our Company, in consultation with the BRLM, will finalise the Issue Price
Promoters' Contribution	Aggregate of 20% of the post-Issue Equity Share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters, which shall be locked-in for a period of 3 years from the date of Allotment.
Prospectus	The Prospectus, to be filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	Bank account opened with the Public Issue Account Bank, being [●] under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Account Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts.
Qualified Institutional Buyers / QIBs	The qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
QIB Bidders	QIBs who Bid in the Issue
QIB Category / QIB Portion	The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue consisting of [●] Equity Shares, available for allocation to QIBs (including Anchor Investors) on a proportionate basis (in which allocation to Anchor Investors shall be on a discretionary basis, as determined by our Company in consultation with the BRLM), subject to valid Bids being received at or above the Issue Price
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 Issued and the size of the Issue, including any addenda or corrigenda thereto
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●] Bank.
Registrar / Registrar to the Issue	Registrar to the Issue being KFin Technologies Limited.
Registrar Agreement	The agreement dated April 02, 2025 among our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registrar and Share Transfer Agents / RTAs	Registrar and Share Transfer Agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of in terms of SEBI RTA Master Circular
Resident Indian	A person resident in India, as defined under FEMA
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Registered Broker	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended and stock brokers registered with the stock exchange having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 and the UPI Circulars issued by SEBI
Reserved Category/ Categories	Categories of persons eligible for making bids under the reservation portion.

<b>Terms</b>	<b>Description</b>
Reservation Portion	The portion of the Issue reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Individual Bidders can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date.
Self-Certified Syndicate Bank(s)/ SCSBs	<p>The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a>, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a>, or such other website as may be prescribed by SEBI from time to time.</p> <p>In relation to Bids (other than Bids by Anchor Investor) 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 at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> as updated from time to time.</p> <p>In accordance with SEBI RTA Master Circular, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> and <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=43</a> respectively, as updated from time to time</p>
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	The Bankers to the Issue registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, which has been appointed by our Company to act as a conduit between the Stock Exchange and the NPCI in order to push the mandate collect requests and/or payment instructions of the UPI Bidders, using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●]
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLM and the Syndicate Members, to collect ASBA Forms and Revision Forms
Syndicate Agreement	Agreement to be entered into among our Company, the Book Running Lead Manager, and the Syndicate Members in relation to collection of Bid cum Application Forms by the Syndicate.
Syndicate Members	Intermediaries (other than Book Running Lead Manager) registered with SEBI who are permitted to accept bids, application and place orders with respect to the Issue and carry out activities as an underwriter.
Syndicate or members of the Syndicate	Together, the Book Running Lead Manager and the Syndicate Members
Systemically Important Non-Banking Financial Company / NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations

Terms	Description
TRS / Transaction Registration Slip	The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form.
Underwriter	The Underwriter to the Issue, in this case being [●].
Underwriting Agreement	The Agreement entered between the Underwriter and our Company dated [●]
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Bidders	Collectively, individual investors applying as (i) Individual Bidders in the Individual Investors' Portion and (ii) Non-Institutional Bidders with a Bid size of up to ₹5.00 lakhs in the Non- Institutional Portion, and applying under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹5.00 lakhs shall use UPI and shall provide their UPI ID in the bid cum application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI 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/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 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, SEBI RTA Master Circular (to the extent it pertains to UPI)
UPI ID	ID created on UPI for a single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Individual Bidder to such Mobile App) to the Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by an Individual Investor to make a Bid in the Issue in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
WACA	Weighted Average Cost of Acquisition
Wilful Defaulter or a Fraudulent Borrower	A company or person, as the case may be, categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.
Working Days	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (i) announcement of Price band; and (ii) Bid / Issue Period, the expression "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (iii) the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in Mumbai, as per the circulars issued by SEBI

**BUSINESS RELATED TERMS**

<b>Terms</b>	<b>Description</b>
B2B	Business to Business
B2C	Business to Consumer
CIF	Cost Insurance Freight
EOQ	Economic Order Quantity
GRN	Goods Receipt Entry
GST	Goods and Services tax
JIT	Just In Time
IMS	Inventory Management Software
IS	Indian Standard
ISO	International Organization of Standardisation
KPI	Key Performance Indicators
PO	Purchase Order
QA	Quality Assurance
QC	Quality Control
RFID	Radio Frequency Identification
SEZ	Special Economic Zone
SO	Sales Order
Total Revenue	It is sum of Revenue from Operations and Other Income
UK	United Kingdom
USA	United States of America

**CONVENTIONAL AND GENERAL TERMS / ABBREVIATIONS**

<b>Term</b>	<b>Description</b>
₹ or Rs. or Rupees or INR	Indian Rupees, the official currency of the Republic of India.
A/c	Account
AI	Anchor Investor
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AO	Assessing Officer
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BG	Bank Guarantee
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CDSL	Central Depository Services (India) Limited
CFSS	Companies Fresh Start Scheme under Companies Act, 2013
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time
DIN	Director identification number
DP/ Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
DP ID	Depository Participant's Identification
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EMDE	Emerging Market and Developing Economy
EoGM	Extra-ordinary General Meeting



<b>Term</b>	<b>Description</b>
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
ESOP	Employee Stock Option Plan
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FDI	Foreign Direct Investment
FDR	Fixed Deposit Receipt
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIIs	Financial Institutions
FIPB	Foreign Investment Promotion Board
Financial Year / Fiscal / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GAAR	General anti-avoidance rules
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/ Government/GoI	Government of India
GST	Goods & Services Tax
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standard
ICSI	Institute of Company Secretaries of India
ICAI	Institute of Chartered Accountants of India
Ind AS	Indian Accounting Standards
IST	Indian Standard Time
I.T. Act	Income Tax Act, 1961, as amended from time to time
ITAT	Income Tax Appellate Tribunal
Ltd.	Limited
LODR	Listing Obligations Disclosure Requirements
Pvt. Ltd.	Private Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
MOF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NTA	Net Tangible Assets

Term	Description
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RoNW	Return on Net Worth
RoE	Return on equity
RoCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SAT	Securities Appellate Tribunal
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to Time
SCSBs	Self-Certified Syndicate Banks
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
SME	Small and Medium Enterprises
SMP	Senior Management Personnel
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchange	Unless the context requires otherwise, refers to, the BSE SME
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
TIN	Taxpayer Identification Number
TRS	Transaction Registration Slip
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.

## KEY PERFORMANCE INDICATORS

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to track the total revenue generated by the business including other income.
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.
Profit after Tax	Profit after tax provides information regarding the overall profitability of the business.
Net profit ratio	Net profit ratio is an indicator of the overall profitability and financial performance of our business/company i.e. profit after tax as a % of Total Revenue from operations.
RoE	RoE provides how efficiently our Company generates profits from shareholders' funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage.
Return on Capital employed (RoCE)	It is calculated as profit before tax plus finance costs divided by sum of total equity, non-current borrowings and current borrowings as at the year end.
Current Ratio	It assesses company's ability to pay off its short term liabilities (due within a year) using its current assets (assets convertible to cash within a year).
Net Capital Turnover Ratio	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.

#### INDUSTRY RELATED TERMS

Term	Description
GDP	Gross Domestic Product
GVA	Gross Value Added
IIP	Index of Industrial Production
PFCE	Private Final Consumption Expenditure
GFCF	Gross Fixed Capital Formation
CPI	Consumer Price Index
WPI	Wholesale Price Index
FY	Financial Year
CY	Calendar Year
CAGR	Compound Annual Growth Rate
HS Code	Harmonized System Code
ITC(HS)	Indian Trade Classification (Harmonized System)
CAD	Computer-Aided Design
CAM	Computer-Aided Manufacturing
CNC	Computer Numerical Control
CFC	Common Facility Centre
CDSCO	Central Drugs Standard Control Organization
G.S.R.	General Statutory Rules
BIS	Bureau of Indian Standards
GST	Goods and Services Tax
D&B	Dun & Bradstreet
DGFT	Directorate General of Foreign Trade
MOSPI	Ministry of Statistics and Programme Implementation
GJEPC	Gems and Jewellery Export Promotion Council
MSME	Micro, Small and Medium Enterprises
AIIMS	All India Institute of Medical Sciences
FSSAI	Food Safety and Standards Authority of India
POSHAN	Prime Minister's Overarching Scheme for Holistic Nutrition

Notwithstanding the foregoing, terms in “Main Provisions of Articles of Association”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Industrial Regulations and Policies”, “Financial Information”, “Outstanding Litigation and Material Developments” and “Issue Procedure” on pages 315, 99, 102, 157, 192, 237 192, and 277, respectively of this Draft Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.

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

### **Certain Conventions**

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

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, the terms “we”, “us”, “our”, the “Our Company”, “the Company”, “ARC Distributors(I) Limited” and “ARC” and, unless the context otherwise indicates or implies, refers to ARC Distributors(I) Limited. 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”.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus. Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in IST.

### **Financial Data**

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and in Lakhs. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our financial statements prepared and Restated Financial Statements, for the stub period ended on December 31, 2024 and for the Financial Years ended March 31, 2024, 2023, 2022 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Restated Financial Statements*” beginning on page 192 of this Draft Red Herring Prospectus. Our financial year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Indian GAAP, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details, see “*Risk Factors*” on page 26 of this Draft Red Herring Prospectus

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 Information prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “*Financial Information*” beginning on page 192 of this Draft Red Herring Prospectus.

For additional definitions used in this Draft Red Herring Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Red Herring Prospectus. In the section titled “*Main Provisions of Articles of Association*”, on page 315 of this Draft Red Herring Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

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

All references to:

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

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in “Lakhs” units. One Lakh represents 1,00,000. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

### **Exchange Rates**

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

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

Currency	For the period ended on December 31, 2024	For the Financial Year ended on		
		March 31, 2024	March 31, 2023	March 31, 2022
1 USD*	85.62	83.37	82.22	75.80

\* If the RBI reference rate is not available on a particular date due to a public holiday, exchange rate of the previous working day has been disclosed.

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

All figures are rounded off to two decimal places.

### **Time**

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time (IST). Unless stated otherwise, or the context requires otherwise, all references to a “year” in this Draft Red Herring Prospectus are to a calendar year.

### **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, methodologies, and assumptions may vary widely among different market and industry sources.

The extent to which industry and market data set forth in the Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. The data used in these sources may have been reclassified by us for the purposes of presentation. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in chapter titled “Risk Factors” beginning from page 26 of this Draft Red Herring Prospectus

In accordance with the SEBI (ICDR) Regulations, the section titled “Basis for Issue Price” on page 93 of this 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.

## FORWARD – LOOKING STATEMENTS

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

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

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

1. We are dependent upon third parties for supply of substantially all of our products with which we do not have long term contracts Any delay or failure on the part of such vendors to deliver Our products, may adversely affect our business, profitability and reputation.
2. Our top ten customers contribute the majority of our revenues from operations. Any loss of business from one or more of them may adversely affect our revenues and profitability.
3. We are dependent on Jewellery Manufacturing Industry for our major share of revenue. Any change in consumer demand of jewellery or prices of gold may adversely affect our business, profitability and reputation.
4. We generate our major portion of revenue from our operations in certain geographical regions. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.
5. Our Company had negative operating cash flow during the financial year 2021-22, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

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 Position and Results of Operations*” beginning on page 26, 142 and 225 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimating 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.

Forward looking statements reflect views as of the date of the Draft Red Herring Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Book Running Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until the listing and trading permission is granted by the Stock Exchange(s).

## SECTION II - SUMMARY OF THE ISSUE DOCUMENT

This section is a general summary of the terms of the Issue, certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled *“Risk Factors”*, *“Industry Overview”*, *“Our Business”*, *“Capital Structure”*, *“The Issue”*, *“Restated Financial Statements”*, *“Objects of the Issue”*, *“Our Promoters and Promoter Group”*, *“Management’s Discussions and Analysis of Financial Position and Results of Operations”*, *“Outstanding Litigation and Material Developments”* and *“Issue Procedure”* beginning on pages 26, 102, 142, 68, 51, 192, 80, 184, 225, 237 and 277 respectively.

### SUMMARY OF PRIMARY BUSINESS OF THE COMPANY

Our Company is a distributor of imported products, with focus on three main product categories, including Jewellery Equipment, Dental Equipment and Dietary Supplements.

Our Jewellery Equipment segment offers a range of equipments, tools, and consumables used in the manufacturing of studded diamonds, gold, and fashion jewellery. We have relationship with manufacturers in Germany and Switzerland, importing steel and carbide burs, cutters, diamond instruments, polishers, ceramic abrasers, and other essential tools for jewellery production. We also have relationship with suppliers in Spain and Italy for jewellery-making tools and equipment. We operate a distribution network for jewellery equipment through our network of dealers, while also catering directly to customers, including jewellery manufacturers located in Special Economic Zones (SEZs).

Our Dental Equipment category includes carbide burs used in dental laboratories, investment powders for casting dentures, crowns, bridges, and dental polishers for polishing dental restorations. We import these products from Europe and supply them through network of dealers and directly to dental laboratories across India.

We also import and distribute Dietary Supplements, which include whey proteins, amino acids, creatine, glutamine, and other products, primarily sourced from the USA. These products are sold through network of dealers in the domestic market.

For further details kindly refer to chapter titled *“Our Business”* beginning on page 142 of this Draft Red Herring Prospectus.

### SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

The company operates in the Jewellery Tools and Dental Tools industry, both of which are part of India's manufacturing and healthcare systems. The jewellery tools segment supports the country's gems and jewellery sector, which handles a large portion of global diamond processing. Government programs like "Make in India" and the expansion of organized retail are encouraging the use of updated manufacturing tools.

The dental tools industry in India is expanding due to oral healthcare awareness, the growth of dental tourism, and the use of cosmetic procedures. The segment includes a large number of dental professionals and clinics, and is shifting toward digital tools and automation. Regulatory updates under the Medical Devices Rules and support for healthcare infrastructure are increasing demand for compliant instruments.

The company also operates in the dietary supplements industry, focused on importing and distributing products such as whey proteins, amino acids, creatine, and glutamine, mainly sourced from the United States. These are sold through a dealer network across India, driven by growing interest in health and wellness.

For further details kindly refer to chapter titled *“Industry Overview”* beginning on page 102 of this Draft Red Herring Prospectus.

### NAME OF PROMOTERS

The Promoters of our Company are Devang Champaklal Goradia, Gaurang Champaklal Goradia and Vaishali Hitesh Mane. For detailed information on our Promoters and Promoter's Group, please refer to the chapter titled *“Our Promoters and Promoter Group”* beginning from page 184 of this Draft Red Herring Prospectus.



## SIZE OF THE ISSUE

Initial Public Offer of upto 24,00,000 Equity Shares of face value of ₹ 10/- each of ARC Distributors (I) Limited (“ARC” or the “Company” or the “Issuer”) for cash at a price of ₹ [●]/- per Equity Share including a Share Premium of ₹ [●]/- per Equity Share (the “Issue Price”) of which [●] Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- per Equity Share including a Share Premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs will be reserved for subscription by Market Maker to the issue (the “Market Maker Reservation Portion”). The Issue less the Market Maker Reservation Portion i.e. Net Issue of [●] Equity Shares of face value of ₹ 10/- each at a price of ₹ [●]/- per Equity Share including a Share Premium of ₹ [●]/- per Equity Share aggregating to ₹ [●] lakhs is herein after referred to as the “Net Issue”. The Issue and the Net Issue will constitute upto [●] % and [●] %, respectively, of the post issue paid up equity share capital of our Company. The face value of the Equity Shares is ₹ 10/- each.

The price band will be decided by our Company in consultation with the Book Running Lead Manager (“BRLM”) and will be advertised in all editions of [●] (a widely circulated English National Daily Newspaper), all editions of [●] (a widely circulated Hindi National Daily Newspaper) and editions of [●] Marathi Daily Newspaper (Marathi being regional language of Maharashtra, where our registered office is located), each with wide circulation, at least 2 (two) working days prior to the bid/ Issue opening date with the relevant financial ratios calculated at the floor price and the cap price and shall be made available to the SME platform of BSE Limited (“BSE SME”, referred to as the “Stock Exchange”) for the purpose of uploading on their website for further details kindly refer to chapter titled “*Terms of the Issue*” beginning on page 260 of this Draft Red Herring Prospectus.

For further details kindly refer to chapters titled “*The Issue*” and “*Terms of the Issue*” beginning on pages 51 and 260 of this Draft Red Herring Prospectus.

## OBJECT OF THE ISSUE

The details of the proceeds of the Fresh Issue are summarized below:

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Fresh Issue <sup>1</sup>	[●]
Less: Estimated Issue related expenses in relation to the Fresh Issue <sup>2</sup>	[●]
Net Proceeds from the Fresh Issue after deducting the Issue related expenses to be borne by our Company (“ <b>Net Proceeds</b> ”)	[●]

1. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds from the Issue, or Rs. 1,000 lakhs, whichever is less.

2. These expenses do not include any GST chargeable or TDS deductible.

### Utilization of Net Issue Proceeds

The Net Proceeds are proposed to be utilised in accordance with the details provided in the table below:

Particulars	Amount (₹ in lakhs)
Funding capital expenditure to set up plant at Vasai, Palghar for manufacturing Whey Protein and Jewellery tools	1,578.43
General corporate purposes <sup>(1) (2)</sup>	[●]
<b>Net proceeds</b>	[●]

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

2. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds of the Issue, or ₹ 1,000.00 lakhs, whichever is lower

For further details kindly refer to chapters titled “*Objects of the Issue*” beginning on page 80 of this Draft Red Herring Prospectus.

## AGGREGATE PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS, PROMOTER GROUP AND ADDITIONAL TOP 10 SHAREHOLDERS

The aggregate pre-issue shareholding of our Promoters, members of the Promoter Group and Additional Top 10 Shareholders as a percentage of the pre-issue paid-up Equity Share capital of our Company is set out below:

Sr. No.	Pre-Issue Shareholding as at the Date of Draft Red Herring Prospectus			Post-Issue Shareholding as at Allotment <sup>(3)</sup>			
	Shareholders	Number of Equity Shares <sup>(2)</sup>	Share holding (in%) <sup>(2)</sup>	At the lower end of the price band (Rs. [●])		At the upper end of the price band (Rs. [●])	
				Number of Equity Shares <sup>(2)</sup>	Share Holding (in %) <sup>(2)</sup>	Number of Equity Shares <sup>(2)</sup>	Share Holding (in %) <sup>(2)</sup>
	Promoter and Promoter Group <sup>(1)</sup>						
1.	Devang Champaklal Goradia	50,59,474	89.39%	[●]	[●]	[●]	[●]
	Vaishali Hitesh Mane	5,66,000	10.00%	[●]	[●]	[●]	[●]
	Gaurang Champaklal Goradia	566	0.01%	[●]	[●]	[●]	[●]
	Additional Top 10 Shareholders*						
2.	Riddhi Kasliwal	22,640	0.40%	[●]	[●]	[●]	[●]
3.	Mohamed Vasim Jainulali Shaikh	5,660	0.10%	[●]	[●]	[●]	[●]
4.	Parth Arjun Vyas	2,830	0.05%	[●]	[●]	[●]	[●]
5.	Rutu Parth Vyas	2,830	0.05%	[●]	[●]	[●]	[●]
	Total	56,60,000	100.00%	[●]	[●]	[●]	[●]

\* There are only 4 additional shareholders other than Promoters

(1) There are no Promoter Group shareholders.

(2) Includes all options that have been exercised until date of prospectus and any transfers of equity shares by existing shareholders after the date of the pre-issue and price band advertisement until date of prospectus.

(3) Based on the Issue price of ₹ [●] and subject to finalization of the basis of allotment.

## SUMMARY OF FINANCIAL INFORMATION

Financial details based on Restated Financial Statements for the period ended as on December 31, 2024 and for the year ended as on March 31, 2024, 2023 and 2022.

(₹ in lakhs)

Particulars	For the period ended December 31, 2024	For the Fiscal		
		2024	2023	2022
Share Capital	566.00	1.00	1.00	1.00
Reserves and Surplus	977.61	1104.30	208.97	90.86
Net worth	1,543.61	1,105.30	209.97	91.86
<b>Total Income</b>	<b>2,912.30</b>	<b>3,929.04</b>	<b>3,492.38</b>	<b>2,737.52</b>
Restated Profit/(Loss) After Tax	438.31	895.33	118.11	(146.42)
<b>Earnings per share of face value of ₹ 10 each attributable to equity holders (Post Bonus)</b>				
Basic (In ₹)	7.74	15.82	2.09	(2.59)
Diluted (In ₹)	7.74	15.82	2.09	(2.59)
Restated net asset value per Equity Share (In ₹)	27.27	19.53	3.71	1.62
Total Borrowings	8.86	6.73	7.36	7.38

For further details, see “Summary of Financial Information” and “Basis for Issue Price” on pages 53, and 93 of this Draft Red Herring Prospectus.

## QUALIFICATIONS OF THE STATUTORY AUDITOR WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS

There is no Auditor qualification which have not been given effect to in the Restated Financial Statements.

## SUMMARY OF OUTSTANDING LITIGATIONS

There are no pending Litigation against our Company, our Promoters or Directors of the company except mentioned below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations	Aggregate amount involved (₹ in Lakhs)
<b>Company</b>						
By the Company	NIL	NIL	NIL	NIL	3	21.19
Against the Company	NIL	6	2	NIL	NIL	689.43*
<b>Promoters</b>						
By the Promoters (Devang C. Goradia)	NIL	NIL	NIL	NIL	1	5.00
Against the Promoters	NIL	NIL	NIL	NIL	NIL	NIL
<b>Directors other than Promoters</b>						
By our directors (Hiren Mahendra Mehta)	NIL	NIL	NIL	NIL	1	Not Ascertainable**
Against the Directors	NIL	NIL	NIL	NIL	NIL	NIL
<b>KMPs and SMPs (excluding MD and WTD)</b>						
By the KMPs/SMPs	NIL	NA	NIL	NA		
Against the KMPs/SMPs	NIL	NA	NIL	NA		

\* There is a demand of ₹ 71.38. Lakhs u/s 156 of IT Act for Assessment Year 2016-17

Further there are 4 assessment orders under MVAT Act, 2002 and CST Act, 1956 against the Company with total tax liability of Rs.618.05 Lakh relating to the Financial Years 2015-16 and 2016-17. Against the said assessment orders our Company has filed the appeals and the appellate authority has stayed recovery of the said tax liability until disposal of the Appeals.

\*\*Not ascertainable since it is a case of eviction from the ancestral property of our promoter.

For further details, see “Outstanding Litigation and Material Developments” page 237 of the Draft Red Herring Prospectus.

## RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus. Any of the risks discussed in this Draft Red Herring Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors, we are not in a position to specify or quantify the financial or other risks mentioned herein. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page 26 of this Draft Red Herring Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Particulars of demand		Amount	Current Status of demand Liability
-	Income tax demand (Reassessment)	106.58	Appeal pending before CIT(A)
-	Assessments under MVAT Act, 2002	441.88	Appeal pending before Appellate Authority
-	Assessments under CST Act, 1956	215.96	Appeal pending before Appellate Authority
	<b>Total</b>	<b>764.42</b>	

For further details of contingent liability, see “Summary of Financial Information”, on page 53, of this Draft Red Herring Prospectus. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

## FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoters, members of the Promoter Group or our Directors and their relatives (as defined in the Companies Act, 2013) have financed the purchase by any other person of securities of our Company (other than in the normal course of business of the financing entity) during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

## WEIGHTED AVERAGE COST OF ACQUISITION BY OUR PROMOTERS IN THE LAST ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

Weighted Average cost of acquisition of Equity Shares by our Promoters in the last one year:

Sr. No.	Name of the Promoter	Equity shareholding as on the date of this Draft Red Herring Prospectus	Weighted Average cost of Acquisition per Equity Share (in ₹) *
1.	Devang Champaklal Goradia	50,50,535	NIL
2.	Vaishali Hitesh Mane	5,65,000	NIL
3.	Gaurang Champaklal Goradia	566	10.05

\*As certified by M/s. R H D B & Co LLP, Chartered Accountants, by way of their certificate dated May 01, 2025.

For details regarding weighted average cost of acquisition of Equity Shares by our Promoters in our Company, please refer chapter title “Capital Structure” on page 68 of the Draft Red Herring Prospectus.

## AVERAGE COST OF ACQUISITION FOR OUR PROMOTERS

Average cost of acquisition of Equity Shares for our Promoters:

Sr. No.	Name of the Promoter	Equity shareholding as on the date of this Draft Red Herring Prospectus	Average cost of Acquisition per Equity Share (in ₹) *
1.	Devang Champaklal Goradia	50,59,474	NIL
2.	Vaishali Hitesh Mane	5,66,000	0.02
3.	Gaurang Champaklal Goradia	566	10.05

\*As certified by M/s. R H D B & Co LLP, Chartered Accountants, by way of their certificate dated May 01, 2025.

For details regarding average cost of acquisition of Equity Shares by our Promoters in our Company, please refer chapter title “Capital Structure” on page 68 of this Red Herring Prospectus.

## PRE-IPO PLACEMENT

Our Company does not contemplate any fresh issuance of Equity Shares as a pre-IPO placement, from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares

## RELATED PARTY TRANSACTIONS

### a. Name of related parties:

Description of Relationship	Name of Related Party
Key managerial persons (KMPs) / Promoters	Devang Goradia
	Parth Vyas
	Vaibhav Pawar
	Gaurang Goradia
	Vaishali Mane
	Pragnesh Patel
Relatives of Key managerial persons / Promoters	Rasila Goradia
	Hitesh Pandurang Mane
Associates (Enterprises in which relatives / KMP / Promoter exercise control)	ADD Nutrition (Proprietorship of Vaishali Mane)
	Satguru Chemist (Proprietorship of Hitesh Mane)

(₹ in lakhs)

Details of Transactions		31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>A.</b>	<b><u>Remuneration, salary &amp; commission paid</u></b>				
	Parth Vyas	-	4.83	7.50	8.20
	Gaurang Goradia	9.47	13.97	17.43	13.76
	Devang Goradia	40.00	78.57	0.00	8.57
	Vaibhav Pawar	6.30	8.80	7.50	8.10
	Pragnesh Patel	2.39	0.00	0.00	0.00
<b>B.</b>	<b><u>Rent expense</u></b>				
	Vaishali Mane	2.67	3.56	3.56	4.20
<b>C.</b>	<b><u>Sales during the year</u></b>				
	Vaishali Mane (ADD Nutrition)	-	-	0.06	0.33
	Devang Goradia	-	-	-	0.01
<b>D.</b>	<b><u>Trade Advances</u></b>				
	<u>Advances repaid:</u>				
	Vaishali Mane (ADD Nutrition)	0.00	0.00	1.99	0.00
<b>E.</b>	<b><u>Loans</u></b>				
	<u>Loan given:</u>				
	Devang Goradia	40.00	43.87	36.34	266.63
	Parth Vyas	0.00	0.00	2.00	0.00
	Rasila Goradia	30.00	0.00	0.00	0.00
	<u>Loan repaid:</u>				
	Devang Goradia	52.64	47.88	140.71	353.88
	Gaurang Goradia	0.00	0.00	28.40	12.61
	Rasila Goradia	30.00	0.00	0.00	0.00
<b>F.</b>	<b><u>Closing Balances</u></b>				
	Devang Goradia - Loan	-	12.64	16.64	121.01
	Devang Goradia - Remuneration Payable	-24.52	-	-	-
	Parth Vyas - Loan	-	-	2.00	-
	Vaibhav Pawar	-0.69	-	-	-
	Pragnesh Patel	-0.36	-	-	-
	Gaurang Goradia	0.89	-	-	0.00
	Gaurang Goradia (Loan)	-	-	-	28.40
	Vaishali Mane	-0.32	0.00	-	-
	ADD Nutrition	-	-	-	1.99
	Rasila Goradia	-	-	-	-

#### ISSUE OF EQUITY SHARES MADE IN LAST ONE YEAR FOR CONSIDERATION OTHER THAN CASH

Except as stated below, our Company has not issued shares for consideration other than cash during last one year:

Date of Allotment	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Reason of Allotment	Benefits accrued to Company	Name of Allottees	No. of Equity Shares
June 28, 2024	10.00	NIL	Nil	Issue of bonus shares in the ratio of 565:1 (i.e. 565 new Equity Shares for every 1 Equity Share held)	Nil	Devang Champaklal Goradia	50,50,535
						Vaishali Hitesh Mane	5,65,000
						Riddhi Kasliwali	22,600
						Gaurang Champaklal Goradia	565

Date of Allotment	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Reason of Allotment	Benefits accrued to Company	Name of Allottees	No. of Equity Shares
						Mohamed Vasim Jainulali Shaikh	5,650
						Parth Arjun Vyas	2,825
						Rutu Parth Vyas	2,825
						<b>Total</b>	<b>56,50,000</b>

#### **SPLIT / CONSOLIDATION**

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

#### **EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS**

Our Company has not applied for an exemption from complying with any provisions of securities laws by SEBI, as on the date of this Draft Red Herring Prospectus.

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### SECTION III – RISK FACTORS

*Any investment in equity securities involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a more complete understanding, Investor should read this section together with Sections titled, “Our Business”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 142 and 225 respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus.*

*Any of the following risks, as well as the other risks and uncertainties discussed in this Draft Red Herring Prospectus, could have an adverse effect on our business, financial condition, results of operations and prospects and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or a part of Investor’s investment. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be 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 because 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 mentioned below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. Investors should not invest in this Issue unless they are prepared to accept the risk of losing all or part of Investor’s investment, and Investors should consult their tax, financial and legal advisors about the consequences to the Investor of an investment in the Equity Shares.*

*The financial information in this section is, unless otherwise stated, derived from our Restated Financial Statements prepared in accordance with Indian GAAP, as per the requirements of the Companies Act, 2013, and SEBI (ICDR) Regulations.*

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

- 1. Some risks may not be material individually but may be material when considered collectively.*
- 2. Some risks may have material impact qualitatively instead of quantitatively.*
- 3. Some risks may not be material at present but may have a material impact in the future.*

#### INTERNAL RISK FACTORS

- 1. We are dependent upon third parties for supply of substantially all of our products with which we do not have long term contracts Any delay or failure on the part of such vendors to deliver Our products, may adversely affect our business, profitability and reputation.**

We obtain all of the products from third parties vendors, and some of these products are sourced from a limited number of suppliers or a single supplier as well with whom we generally do not have long-term contracts or agreements. The orders for the materials are placed on requirement basis. In the event that, there are any delays or disruptions in the supply of these materials from our vendors, our ability to deliver the products may be affected. Any of our supplier’s failure to adhere to agreed timelines, whether due to their inability to comply with, or obtain, regulatory approvals, or otherwise, may result in delays and disruptions to our sales, increased costs, delayed payments for our products and damage to our reputation leading to an adverse effect on business. As on December 31, 2024, we are connected with over 28 vendors for sourcing these products. In addition, some of our suppliers may develop relationships with our competitors, and as a result of these relationships, such suppliers may choose to limit or terminate their relationships with us or prioritize our competitors' orders in the case of supply shortages.

Break-up of the top 10 suppliers of our Company for the period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 are as follows:



(₹ in Lakh, except percentages)

Particulars	For the Period ended December 31, 2024		FY 2023-24		FY 2022-23		FY 2021-22	
	Amount	% of total Purchase#	Amount	% of total Purchase#	Amount	% of total Purchase#	Amount	% of total Purchase#
Top - 1	1,009.39	63.96%	2,033.54	72.97%	1,578.13	57.12%	1,499.96	68.91%
Top - 3	1,276.75	80.91%	2,360.82	84.72%	2,096.80	75.89%	1,772.18	81.41%
Top - 5	1,374.66	87.11%	2,497.63	89.62%	2,304.96	84.43%	1,931.44	88.73%
Top - 10	1,493.87	94.67%	2,662.80	95.55 %	2,559.35	92.64%	2,122.50	97.51%

# as a percentage of total purchases from Restated Financial Statements

Our top 10 suppliers for the stub period ended on December 31, 2024 and Fiscals 2024, 2023 and 2022 accounted for 94.67%, 95.55%, 92.64% and 97.51% of our total purchases for the respective years. Specifically, one supplier accounted for 63.96%, 72.97%, 57.12% and 68.91% of our supplies in the stub period ended on December 31, 2024 and, FY 2024, 2023 and 2022 respectively. Though there has been no instance of the delayed in the past, in case of any dispute arising with them, it may result in disruption of our supplies and in turn, affect our ability to deliver to our customers and our business operations.

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

Our top ten customers have contributed 36.91%, 38.46%, 38.93% and 42.53% of our revenues for the period ending on December 31, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 respectively based on the Restated Financial Statements.

Break-up of the top 10 customers of our Company for the period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 are as follows:

(₹ in Lakh, except percentages)

Particulars	For the Period ended December 31, 2024		FY 2023-24		FY 2022-23		FY 2021-22	
	Amount^	% of total revenue#	Amount^	% of total revenue#	Amount^	% of total revenue#	Amount^	% of total revenue#
Top – 1	273.86	11.35%	348.56	11.06%	293.53	8.89%	214.50	8.50%
Top – 3	488.94	20.26%	710.57	22.55%	630.79	19.10%	598.62	23.72%
Top – 5	629.50	26.09%	926.17	29.40%	872.23	26.41%	787.95	31.22%
Top - 10	890.50	36.91%	1,211.72	38.46%	1,285.87	38.93%	1,073.37	42.53%

^ as a amount of revenue of Sale of products from Restated Financial Statements

# as a percentage of revenue of Sale of products from Restated Financial Statements

However, our top customers may vary from period to period depending on the demand and thus the composition and revenue generated from these customers might change as we continue to add new customers in the normal course of business. Since our business is concentrated among relatively few significant customers, we could experience a reduction in our revenue, cash flows and liquidity if we lose one or more of these customers or the amount of business, we obtain from them is reduced for any reason, including but not limited on account of any dispute or disqualification.

Accordingly, we cannot assure that the customers which contribute to the major part of our revenue stream will continue to give the same amount business in the future. In the event any of our significant customers fails to fulfill their respective obligations, our business, financial condition and results of operations would be adversely affected. However, in the past there were no such instances for the period ended December 31, 2024 and Financial years as on March 31, 2024, March 31, 2023 and March 31, 2022. While we believe we have maintained good and long-term relationships with our customers, there can be no assurance that we will continue to have such long-term relationships with them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

**3. We are dependent on Jewellery Manufacturing Industry for our major share of revenue. Any change in consumer demand of jewellery or prices of gold may adversely affect our business, profitability and reputation.**

The major portion of our revenue comes from supply of jewellery manufacturing tools to jewellery manufacturers. For the stub period ended on December 31, 2024 and Fiscals 2024, 2023 and 2022 sale of jewellery tools accounted for 93.47%, 89.72%, 91.83 % and 91.23% of our total revenue for the respective years. The nature of our business requires us to maintain sufficient inventories resulting into high inventory costs. If we are unable to maintain an optimal level of inventory, results

of operations and financial condition may be adversely affected. The success of our business depends upon our ability to anticipate and forecast customer demand and trends. Any error in our forecast could result in either surplus stock, which we may not be able to sell in a timely manner, or at all, or under stocking, which could affect our ability to meet customer demand. While there has been no such instance in the past, if we misjudge the demand for our products or fail to anticipate a shift in consumer preferences, we may be left with inventory that is difficult to sell, leading to a reduction in revenues. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively.. We plan our inventory and estimate our sales based on the forecast, demand and requirements.

**4. We generate our major portion of revenue from our operations in certain geographical regions. Any adverse developments affecting our operations in these regions could have an adverse impact on our revenue and results of operations.**

As on December 31, 2024, we generate more than 86.67% of our revenue from our customers situated in two States namely, Maharashtra and Gujarat. Such geographical concentration of our business in these regions heightens our exposure to adverse developments related to competition, as well as economic and demographic changes in these regions and countries which may adversely affect our business prospects, financial conditions and results of operations.

The table sets forth below the revenue earned by our Company by offering services in various states as a percentage of our revenue from operations during the period indicated:

(₹ in lakhs)

Particulars	For the Period ended December 31, 2024		FY 2023-24		FY 2022-23		FY 2021-22	
	Amount	% of total revenue#	Amount	% of total revenue#	Amount	% of total revenue#	Amount	% of total revenue#
Maharashtra	1,405.22	58.24%	2,078.28	65.96%	2,219.15	67.18%	1,785.71	70.75%
Gujarat	686.09	28.43%	695.98	22.09%	721.83	21.85%	528.94	20.96%
Tamil Nadu	97.63	4.05%	112.80	3.58%	105.90	3.21%	68.39	2.71%
Rajasthan	86.97	3.60%	105.48	3.35%	158.99	4.81%	99.77	3.95%
West Bengal	23.68	0.98%	40.49	1.28%	45.44	1.38%	14.74	0.58%
Delhi	25.19	1.04%	43.91	1.39%	25.36	0.77%	5.98	0.24%
Karnataka	20.41	0.85%	31.88	1.01%	9.30	0.28%	12.06	0.48%
Kerala	29.35	1.22%	18.63	0.59%	4.59	0.14%	4.93	0.20%
Haryana	4.43	0.18%	6.70	0.21%	-	-	0.19	0.01%
Punjab	4.68	0.19%	3.19	0.10%	-	-	1.28	0.05%
Telangana	7.75	0.32%	2.85	0.09	3.62	0.11%	-	-
Jammu & Kashmir	1.36	0.06%	1.60	0.05	0.39	0.01%	-	-
Odisha	0.04	0.00%	1.35	0.04%	-	-	0.18	0.01%
Chandigarh	-	-	1.76	0.06%	-	-	-	-
Andhra Pradesh			0.73	0.02%	0.70	0.02%	0.31	0.01%
Uttar Pradesh	0.40	0.02%	0.03	0.00%	6.50	0.20%	1.34	0.05%
Goa	-	-	-	-	0.55	0.02%	-	-
Assam	-	-	-	-	0.23	0.01%	-	-
Madhya Pradesh	-	-	-	-	0.59	0.02%	-	-
Bihar	-	-	0.06	0.00%	-	-	-	-
<b>Total</b>	<b>2,412.83</b>	<b>100.00%</b>	<b>3,150.73</b>	<b>100.00%</b>	<b>3,303.14</b>	<b>100.00%</b>	<b>2,523.81</b>	<b>100%</b>

# as a percentage of revenue of Sale of products from Restated Financial Statements

Existing and potential competitors to our businesses in these regions may increase their focus on the same areas which derive significant business. While we strive to geographically diversify our product portfolio and reduce our concentration risk, we cannot assure that adverse developments associated with the particular regions will not impact on our business. If we are unable to mitigate the concentration risk, we may not be able to develop our business as planned and our business, financial condition and results of operation could be adversely affected.

This concentration of business subjects us to various risks, including but not limited to:

- (i) vulnerability to change in laws, policies and regulations of the political and economic environment;
- (ii) perception by our potential customers that we are a regional Company which hampers us from competing for large orders at the national level; and

Further, any significant interruption to our operations directly or indirectly as a result of any severe weather or other natural disasters in these particular regions could materially and severely affect our business, financial condition and results of operations. While no such instance has happened in the past, in future in case of such an occurrence, we may have to completely halt our operations in these areas which may severely impact our business operations. Any such disruption for any reason could result in significant increase of costs and delays in execution of orders.

Factors such as competition, culture, regulatory regimes, business practices and customs, industry needs, transportation, in other markets where we may expand our operations may differ from those in such regions and countries, and our experience in these areas may not be applicable to other markets. In addition, as we enter new markets and geographical areas, we are likely to compete with both large scale international and national players as well as local players who might have an established local presence, are more familiar with local regulations, business practices and industry needs, have stronger relationships with local vendors, relevant government authorities or are in a stronger financial position than us, all of which may give them a competitive advantage over us. Our inability to expand into areas outside our present geographical regions may adversely affect our business prospects, financial conditions and results of operations.

While our management believes that our Company has requisite expertise and vision to grow and mark its presence in other markets going forward, investors should consider our business and prospects in light of the risks, losses and challenges that we may face and should not rely on our results of operations for any prior periods as an indication of our future performance. While such instances have not materially occurred in the past, however future occurrence of any such instances could impact our earnings, financial condition and results of operation.

**5. *Our Company had negative operating cash flow during the financial year 2021-22, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

The details of year wise operating cash flow is provided in below mentioned table and our Company has reported negative operating cash flow in one financial year:

Particulars	For the period ended on	For Fiscals		
	December 31, 2024	2024	2023	2022
Net cash generated/(used) from operating activities	205.54	29.65	794.26	-89.73

(₹ in lakhs)

The net cash generated from operating activities for the financial year 2021-2022 is negative, primarily due to Diminution in value of investments, increase in inventories and increase in short term loans and advances.

There can be no assurance that our net operating cash flows shall be positive in the future. Any negative cash flows in the future over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see “*Restated Financial Statements*” beginning on page 192 of this Draft Red Herring Prospectus.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may affect our business and financial operations. For further information please refer to the chapter titled “*Restated Financial Statements*” beginning on page 192 of this Draft Red Herring Prospectus.

**6. *The property used by the Company for the purpose of its operations is not owned by us. Any termination of the relevant lease agreement in connection with such property or our failure to renew the same could adversely affect our operations.***

Our registered office, including our warehouses, are conducted on leased premises, which may also be encumbered (subject to terms of the lease deeds), and we may continue to enter into such lease deeds/agreements in the future. Our registered office is located at Mumbai, Maharashtra, India, and is not owned by us. We lease this property from Vaishali Hitesh Mane (Promoter Director), under a Lease Deed dated February 01, 2025, for a term of 11 months. Additionally, our warehouses located at Bhiwandi and Ghatkopar in Maharashtra, are occupied under lease arrangements. Renewals of such leases may lead to higher costs due to rent escalations. Any termination of the lease or failure to renew the lease agreement on favorable

terms, either in a timely manner or at all, could adversely impact our operations. For further details regarding the properties leased by us, please refer to the section titled “Our Properties” in the “Our Business” chapter, on page 156 of this Draft Red Herring Prospectus.

**7. In case of our inability to obtain, renew or maintain the statutory and regulatory licenses, permits and approvals required to operate our business it may have a material adverse effect on our business.**

We are governed by various laws and regulations for our business and operations. We are required and will continue to be required, to obtain and hold relevant licenses, approvals and permits at state and central government levels for doing our business. In particular, we have applied for registration/ intimation under Shops and Establishment Act of Maharashtra for our offices and warehouses. The approvals, licenses, registrations and permits obtained by us may contain conditions. Further we will need to apply for renewal of other approvals, licenses, registrations and permits which expire. Though we have obtained a significant number of approvals, licenses, registrations and permits from the relevant authorities there can be no assurance that the relevant authority will continue to issue an approval or renew expired approvals within the applicable time period or at all. Any delay in receipt or non-receipt of such approvals, licenses, registrations and permits could result in cost and time overrun or which could affect our related operations.

These laws and regulations governing us are increasingly becoming stringent and may in the future create substantial compliance or liabilities and costs. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures, and an inability to comply with such regulatory requirements may attract penalties. For further details regarding the material approvals, licenses, registrations and permits, see “Government and Other Approvals” on page 243 of this Draft Red Herring Prospectus.

Furthermore, we cannot assure that the approvals, licenses, registrations and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us may affect our business and results of operations.

**8. We have certain outstanding litigation against our Company, Directors and Promoters an adverse outcome of which may adversely affect our business, reputation and results of operations.**

A summary of outstanding matters set out below includes details of civil proceedings, tax proceedings, statutory and regulatory actions and other material pending litigation involving us, Directors, Promoters and Group Entity/ Company, as at the date of this Draft Red Herring Prospectus.

There are no pending Litigation against our Company, our Promoters or Directors of the company except mentioned below:  
(₹ in lakhs)

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter	Material Civil Litigations	Aggregate amount involved (₹ in Lakhs)
<b>Company</b>						
By the Company	NIL	NIL	NIL	NIL	3	21.19
Against the Company	NIL	6	2	NIL	NIL	689.43*
<b>Promoters</b>						
By the Promoters (Devang C. Goradia)	NIL	NIL	NIL	NIL	1	5.00
Against the Promoters	NIL	NIL	NIL	NIL	NIL	NIL
<b>Directors other than Promoters</b>						
By our directors (Hiren Mehta)	NIL	NIL	NIL	NIL	1	Not Ascertainable**
Against the Directors	NIL	NIL	NIL	NIL	NIL	NIL
<b>KMPs and SMPs (excluding MD and WTD)</b>						
By the KMPs/SMPs	NIL	NA	NIL	NA		
Against the KMPs/SMPs	NIL	NA	NIL	NA		

\* There is a demand of ₹ 71.38. Lakhs u/s 156 of the IT Act for Assessment Year 2016-17

*Further there are 4 assessment orders under MVAT Act, 2002 and CST Act, 1956 against the Company with total tax liability of Rs.618.05 Lakh relating to the Financial Years 2015-16 and 2016-17. Against the said assessment orders our Company has filed the appeals and the appellate authority has stayed recovery of the said tax liability until disposal of the Appeals.*

*\*\*Not ascertainable since it is a case of eviction from the ancestral property of our promoter.*

#### **Notes:**

The amounts claimed in these proceedings have been disclosed to the extent. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure that any of the outstanding litigation matters will be settled in our favour or that no additional liabilities will arise out of these proceedings. In addition to the above, we could also be adversely affected by complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course of business or otherwise, in relation to our business operations, our intellectual property, our branding or marketing efforts or campaigns or our policies. We may also be subject to legal action by our employees and/or former employees in relation to alleged grievances, such as termination of employment. We cannot assure that such complaints, claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority or third persons against us.

**9. *There have been instances of delays in filings of certain forms which were required to be filed as per the reporting requirements as well as discrepancies in the forms submitted to the Registrar of Companies (ROC) in accordance with the Companies Act, 2013.***

In the past, there have been certain instances of delays in filing statutory forms which have been subsequently filed by payment of an additional fee as specified by ROC. The details of such forms have been provided below:

<b>Sr. No.</b>	<b>Name of the Form/Return</b>	<b>Date of Event</b>	<b>Due Date of Filing</b>	<b>Actual Date of Filing</b>
1	23B*	May 4, 2008	June 4, 2008	March 13, 2010
2	20B	September 30, 2009	November 29, 2009	March 15, 2010
3	23AC	September 30, 2009	October 29, 2009	March 15, 2010
4	20B	September 1, 2010	October 30, 2010	September 5, 2011
5	23AC	September 1, 2010	October 1, 2010	September 5, 2011
6	23B*	September 3, 2010	October 3, 2010	September 5, 2011
7	23B*	August 20, 2011	September 19, 2011	July 24, 2012
8	23B*	August 25, 2011	September 24, 2011	September 1, 2015
9	20B	September 21, 2012	November 20, 2012	September 5, 2015
10	23AC	September 21, 2012	October 21, 2012	September 5, 2015
11	23B*	September 25, 2012	October 25, 2012	September 5, 2015
12	20B	September 24, 2013	November 23, 2013	September 7, 2015
13	23AC	September 24, 2013	October 24, 2013	September 7, 2015
14	23B*	September 30, 2013	October 30, 2013	September 7, 2015
15	20B	September 26, 2014	November 25, 2014	September 7, 2015
16	23AC	September 26, 2014	October 26, 2014	September 7, 2015

Sr. No.	Name of the Form/Return	Date of Event	Due Date of Filing	Actual Date of Filing
17	ADT-1*	September 28, 2014	October 13, 2014	September 18, 2015
18	ADT-3	August 1, 2016	August 31, 2016	December 11, 2017
19	ADT-1	August 4, 2016	August 19, 2016	January 10, 2018
20	AOC-4	September 30, 2016	October 30, 2016	February 22, 2018
21	AOC-4	September 30, 2017	October 30, 2017	December 5, 2017
22	ADT-3*	August 1, 2018	August 31, 2018	June 12, 2019
23	ADT-1	September 30, 2018	October 15, 2018	June 13, 2019
24	MGT-7	September 30, 2018	November 29, 2018	February 18, 2019
25	AOC-4	September 30, 2018	October 30, 2018	February 18, 2019
26	ADT-3	August 1, 2019	August 31, 2019	September 6, 2019
27	DPT-3*	March 31, 2021	June 30, 2021	August 25, 2021
28	ADT-1	November 30, 2021	December 15, 2021	January 6, 2022
29	AOC-4	September 30, 2022	October 30, 2022	November 10, 2022
30	AOC-4	September 30, 2023	October 30, 2023	November 2, 2023
31	INC-27	July 31, 2024	August 30, 2024	November 4, 2024

*\*We have derived Actual date of filing of forms from RoC search.*

The Company, on its own initiative (suo motu), identified a delay in filing related to the change in its objects and activity and has voluntarily submitted an adjudication application before the Registrar of Companies (ROC) under Section 454 of the Companies Act, 2013. This step was taken to ensure compliance and uphold good governance, without any notice or prompting from the regulatory authorities.

The adjudication proceedings are currently pending. The Company confirms that it will fully comply with any penalty order received and complete necessary rectifications. This disclosure is made to maintain transparency regarding the Company's compliance efforts.

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

***10. Our ability to attract, train and retain executives and other qualified employees is critical to our business, results of operations and future growth.***

Our business and future growth is substantially dependent on the continued services and performance of our key executives with experience in our industry. In particular, our Promoters and Directors- Devang Champaklal Goradia, Gaurang Champaklal Goradia and Vaishali Hitesh Mane Key Managerial Personnel and our Senior Management Personnel are critical to the overall management of our Company. Their inputs and experience are also valuable for our business, our work culture and the strategic direction taken by our Company. Further, our business depends upon them for its successful execution. We cannot assure that we will be able to retain these employees or find equally qualified and experienced replacements in a timely manner, or at all.

Further, we depend on the management skills, guidance and industry contacts of our Key Managerial Personnel and our Senior Management Personnel for our current operations, development of business strategy and for monitoring its successful implementation and meeting future challenges. We may require a long period of time to hire and train replaced personnel when skilled personnel terminate their employment with our Company. Our ability to compete effectively depends on our ability to attract new employees and to retain and motivate our existing employees. We may be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting Key Managerial Personnel and Senior Management Personnel that our business requires. If we do not succeed in attracting well-qualified employees or retaining or motivating existing employees, our business and prospects for growth could be adversely affected.

The table below sets forth our employee attrition rate (calculated as total employees who left the organization in the relevant period divided by average number of employees (average of opening and closing headcounts of employees for the relevant year) during Fiscal Years 2025 (April 2024 to February 2025), 2024, 2023 and 2022:

Particulars	Financial Years			
	2024-25 (April to February)	2023-24	2022-23	2021-22
Employee attrition rate (%)	8.51%	10.26%	5.56%	30.30%

Year-on-year employee numbers are provided below:

Particulars	Financial years			
	2024-25 (April to December)	2023-24	2022-23	2021-22
Number at beginning of FY	20	19	17	16
Addition:	09	03	03	06
Resignation:	02	02	01	05
Number at closing of FY	27	20	19	17

Our inability to hire, train and retain a sufficient number of qualified employees could impair the success of our operations. This could have an adverse effect on our business, financial conditions, cash flows and results of operations. Our success also depends, in part, on key customer and vendor relationships forged by our senior management. If we were to lose these members of the senior management, we cannot assure that we will be able to continue to maintain these relationships or renew them, which could adversely affect our business, financial condition, results of operations and cash flows.

***11. If we are not successful in managing our growth, our business may be disrupted and our profitability may be reduced.***

We have experienced sustainable growth in recent years and expect our businesses to continue to grow. Our future growth is subject to risks arising from a rapid increase in volume, and inability to retain and recruit skilled staff. We may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit.

Our future growth may place significant demands on our management and operations and require us to continuously evolve and improve our financial, operational and other internal controls within our Company. In particular, continued expansion may pose challenges in:

- maintaining high levels of quality control and customer satisfaction;
- recruiting, training and retaining sufficient skilled management and technical personnel;
- operational, communications, internal control and other internal systems;
- making accurate assessments of the resources;
- adhering to the standards of health, safety and environment and quality and process execution to meet customers' expectations;
- ensuring compliance with legal and contractual obligations;
- Managing relationships with customers and suppliers.

If we are not successful in managing our growth, our business may be disrupted and profitability may be reduced. Our business, prospects, financial condition and results of operations may be adversely affected.

***12. 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.***

We are insured for a number of the risks associated with our several businesses, such as insurance cover against loss or damage by fire, earthquake, theft and robbery and taken fidelity insurance. We believe we have got our assets and employees



adequately insured; however, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected.

The table below provides details of our current insurance policies, including coverage amounts and premiums:

Sr. No.	Name of the Insurance Company	Policy No.	Validity		Name and Description	Sum Assured (in ₹)	Total Premium (in ₹)
			From	To			
1.	The New India Assurance Company Limited	11060011248000000577	October 14, 2024	October 13, 2025	New India Bharat Sookshma Udyam Suraksha Policy  For Stock maintained at the Bhiwandi Warehouse (Address: Harihar Complex, Bldg. No. A-24, Gala No.7, Ground Flr, Near Gajanan Petrol Pump, Dapoda Road, Dapoda Village, Bhiwandi, Thane 421302)	60,00,000/-	11,139/-
2.	The New India Assurance Company Limited	11060046240100000246	October 14, 2024	October 13, 2025	Burglary Insurance including Riot, Strike, Holdup, Robbery on Stock maintained at Bhiwandi Warehouse (Address: Harihar Complex, Building No. A-24, Gala No.7, Ground Floor, Near Gajanan Petrol Pump, Dapoda Road, Dapoda Village, Bhiwandi, Thane 421302)	60,00,000/-	6,584/-
3.	The New India Assurance Company Limited	11060011248000001003	March 20, 2025	March 19, 2026	New India Bharat Sookshma Udyam Suraksha Policy  For Stock maintained at the Ghatkopar Warehouse (Address: B-4/126, Chitranjan Colony, Rajawadi, Ghatkopar(E), Mumbai – 400077)	4,55,00,000/-	77,825/-
4.	The New India Assurance Company Limited	11060011248000001002	March 20, 2025	March 19, 2026	New India Bharat Sookshma Udyam Suraksha Policy  For Furniture & Fixtures and Stock maintained at Kandivalli office (Address: 8, ARC House, Sector-8, RSC-7, Charkop, Kandivali(W), Mumbai – 400067)	17,00,000/-	2,909/-
5.	Kotak Mahindra	4866878500	August 26, 2024	August 25, 2025	Toyota Glanza- Vehicle Policy	5,44,690/-	8,415/-

Sr. No.	Name of the Insurance Company	Policy No.	Validity		Name and Description	Sum Assured (in ₹)	Total Premium (in ₹)
			From	To			
	General Insurance						
6.	Raheja QBE General Insurance Co. Ltd.	R0201575	March 29, 2023	March 28, 2026	Mahindra Scorpio- Vehicle Policy	18,50,565/-	20,872/-
7.	Zurich Kotak General Insurance	5042062500	October 23, 2024	October 22, 2025	Kia Sonet- Vehicle Policy	10,64,387/-	12,330/-
8.	Go Digit General Insurance Ltd.	D152609381 /21062024	June 27, 2024	June 26, 2025	Mercedes Benz- Vehicle Policy	29,48,253/-	81,904/-
9.	Future Generali India Insurance Co. Ltd.	C2554421	December 06, 2024	December 05, 2025	Marine insurance for import of goods.	2,50,00,000/-	11,801/-

Even if we make 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. 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. While there has not been any such event, in case of occurrence of a future event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows.

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an effect on our business, results of operations, financial condition and cash flows.

**13. We have entered into and may enter into related party transactions in the future also.**

We have entered into and may in the ordinary course of our business continue to enter into transactions with related parties that include certain of our Promoters, Directors, Promoter Group Entities. For further details in relation to our related party transactions, see “*Related Party Transactions*” in the chapter “*Summary of Issue Document*” on page 23 of the Draft Red Herring Prospectus. While our company confirms that we have entered into such transactions on an arm’s length basis and are in compliance with the applicable provisions of Companies Act, 2013 and other applicable law, there is no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. There can be no assurance that such transactions will not have an adverse effect on our business, prospects, results of operations and financial condition. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

**14. We have certain contingent liabilities and our financial condition and profitability may be adversely affected if any of these contingent liabilities materialize.**

As on the date of Draft Red Herring Prospectus, our contingent liabilities and commitments (to the extent not provided for) as disclosed in the notes to our Restated Financial Information aggregated to ₹ 764.42 Lakhs. The details of our contingent liabilities are as follows:

(₹ in lakhs)

Particulars of demand		Amount	Current Status of demand Liability
-	Income tax demand (Reassessment)	106.58	Appeal pending before CIT(A)
-	Assessments under MVAT Act, 2002	441.88	Appeal pending before Appellate Authority
-	Assessments under CST Act, 1956	215.96	Appeal pending before Appellate Authority
	<b>Total</b>	<b>764.42</b>	

For further details in relation to our related party transactions, see “*Summary of Contingent Liabilities*” in the chapter “*Summary of Issue Document*” on page 22 of the Draft Red Herring Prospectus. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

**15. *Variation in Utilization of Net Proceeds May Require Shareholders’ Approval, Potentially Affecting Our Business Plans***

Our Company proposes to utilize the Net Proceeds primarily for funding capital expenditure (“Capex”) and general corporate purposes, as detailed in the chapter titled “*Objects of the Issue*” beginning on page 80 of this Draft Red Herring Prospectus. The intended use of Net Proceeds is based on management estimates and has not been appraised by any bank or financial institution.

In accordance with Section 27 of the Companies Act, 2013, any variation in the utilization of the Net Proceeds from what is disclosed in this Draft Red Herring Prospectus would require prior approval of our shareholders through a special resolution. In the event of unforeseen business requirements, competitive pressures, economic fluctuations, or other factors beyond our control, we may find it necessary to reallocate the Net Proceeds. However, there can be no assurance that the shareholders’ approval will be obtained in a timely manner, or at all, which may delay or restrict our ability to respond to changing circumstances, thereby adversely affecting our operations and financial performance.

Further, our Promoters and controlling shareholders would be required to provide an exit opportunity to dissenting shareholders in case of variation in the use of Net Proceeds, at a price and in a manner prescribed by SEBI. There is no assurance that our Promoters or controlling shareholders will have sufficient resources to provide such an exit opportunity, which may discourage them from supporting such changes even if deemed beneficial to our Company. As a result, our ability to effectively utilize the Net Proceeds in the best interests of our Company could be limited.

**16. *Misconduct or errors by manpower engaged by us could expose us to business risks or losses that could affect our business prospects, results of operations and financial condition.***

Misconduct or errors by manpower engaged by us could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our business. Such misconduct includes breach of security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. These errors or misconduct may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and affect our business. While there have been no such instances in the past, there can be no assurance that there will not be such instances in the future. Any claims and proceedings for alleged negligence as well as regulatory actions may in turn materially and consequently, affect our business, financial condition, results of operations and prospects.

**17. *We are subject to the risk of failure of, or a material weakness in, our internal control systems.***

We are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. Given the volume of transactions, errors may be repeated or compounded before they are discovered and rectified. Our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. While no such instance has happened in the past, in case of occurrence of such an event in the future, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material effect on our business, financial condition and results of operations.

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

As on the date of this Draft Red Herring Prospectus, we have not made any alternate arrangements for meeting our capital requirements for Objects of the Issue. We meet our capital requirements through, owned funds, and internal accruals. Any shortfall in our Networth, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Net Issue proceeds may delay the implementation schedule and could adversely affect our growth

plans. For further details, please refer to the chapter titled “*Objects of the Issue*” beginning on page 80 of this Draft Red Herring Prospectus.

***19. Absence of Appraisal for the Proposed Utilization of Net Proceeds Increases the Risk of Misallocation.***

The deployment of Net Proceeds towards Capex and general corporate purposes is based solely on our management’s internal estimates and has not been independently appraised by any bank or financial institution. Consequently, the estimated funding requirements are subject to change based on factors such as evolving market conditions, business strategies, and unforeseen costs.

Any material change in our plans may require shareholders' approval, which may not be forthcoming in a timely manner or at all, thus restricting our Company’s flexibility to realign business strategies. Inability to modify the utilization of the Net Proceeds as needed may limit our responsiveness to business exigencies, adversely impact our growth initiatives, and place an additional burden on our financial resources.

***20. Our Promoters hold Equity Shares in our Company and are therefore interested in the Company’s performance in addition to their remuneration and reimbursement of expenses.***

Our Promoters are interested in our Company to the extent of their shareholding in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. We cannot assure that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders. For further information on the interest of our Promoters of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see “*Our Management*” and “*Our Promoters and Promoter Group*” on page 167 and 184 respectively of this Draft Red Herring Prospectus.

***21. The aggressive pricing pressures in our industry pose a significant risk to our profitability.***

There is a significant risk of being caught in aggressive pricing wars, as there are numerous local competitors in our industry and they may offer lower cost products. The pressure to lower our prices in order to stay competitive may severely impact our profit margins, making it difficult to maintain long-term financial health. This constant price competition not only threatens our profitability but also undermines the value perception of our offerings.

We risk losing our competitive edge and our market share, unless we are able to provide variety of product that justify our pricing. While offering competitive rates is important, if our Company fails to effectively balance this with the inherent value of our products, it may lead to diminished profitability and returns.

***22. As we are transitioning from importing and selling to manufacturing jewellery-making tools and dietary supplements, we may face challenges such as a lack of expertise, quality control, equipment selection, and workforce management.***

We are planning to start our own manufacturing facility for jewellery -making tools and dietary supplements. As we transition from our current operations, which include importing and selling these products, to jewellery manufacturing, we anticipate several challenges. One of the main obstacles will be our lack of manufacturing expertise, which could lead to inefficiencies, production delays, or compromised product quality if not properly addressed. Quality control and regulatory compliance are also critical, especially for dietary supplements, as we must meet strict industry standards to avoid recalls or legal issues. Choosing the right technology and equipment is another challenge; poor decisions could result in inefficient production processes and increased costs. Additionally, recruiting and retaining a skilled workforce will be essential to maintaining smooth operations, and any labor shortages could disrupt our production timelines. Effectively managing these factors will be crucial as we navigate this shift and ensure a successful move into manufacturing.

***23. If quality control of imported jewellery tools, dental tools, and health supplements is not ensured, it may lead to increased costs, legal liabilities, customer dissatisfaction, and long-term damage to our brand reputation, ultimately impacting revenue.***

Maintaining high-quality standards for our imported jewellery tools, dental tools, and health supplements is essential for ensuring customer satisfaction and protecting our company’s reputation. However, there is always a risk of receiving substandard or defective products from suppliers. If these products fail to meet safety or quality standards, they may result in returns, customer complaints, and potential legal liabilities. Although there have been no such occurrences in the past, we

cannot guarantee that such instances would not arise in the future. This risk is especially critical with health supplements, where poor quality could lead to health issues, regulatory scrutiny, product recalls, or lawsuits.

The financial consequences of poor-quality control are significant. Returns and replacements not only incur direct costs but also damage customer trust, leading to lost sales and a tarnished brand image. In cases of health-related issues tied to dietary supplements, legal expenses, compensation claims, and penalties could place a heavy financial burden on the company. Additionally, the resources required to manage quality issues divert attention from other business priorities, causing operational inefficiencies. Over time, repeated quality problems can erode consumer confidence in our brand, resulting in decreased revenue as customers shift to competitors offering more reliable products.

***24. Sourcing jewellery tools, dental tools, and health supplements from multiple international suppliers introduces complexity and risks, including varying regulations, quality discrepancies, and supplier challenges, which increase operational costs, the potential for delays, and financial instability.***

Sourcing jewellery tools, dental tools, and health supplements from multiple international suppliers introduces a level of complexity that poses a risk to both operational efficiency and financial stability. Different countries have varying regulations, quality assurance processes, and manufacturing standards, which can lead to discrepancies in the quality and compliance of the products we import. Managing these inconsistencies requires significant resources to ensure that each product meets local standards and customer expectations. Additionally, sourcing from multiple regions means managing relationships with numerous suppliers, each with its own set of challenges, including language barriers, differing payment terms, and variable lead times.

This complexity in sourcing increases operational costs, as we must allocate resources to thoroughly vet suppliers, monitor product quality, and navigate regulatory compliance. The more complicated the sourcing process, the higher the chances of delays, errors, or failures, all of which can have direct financial implications. Any misstep in sourcing can lead to supply shortages, compliance issues, or the import of inferior products, which in turn can affect our ability to generate consistent revenue. With an increasingly complicated global supply chain, the risk to our financial health grows, making it critical to streamline sourcing processes and minimize inefficiencies to protect profitability.

***25. Payment risks, including delays, disputes, and complications with international suppliers, can disrupt cash flow, damage supplier relationships, and ultimately threaten our company's financial stability and revenue.***

When dealing with international suppliers, the risk of payment issues is ever-present. Our Company may face delays, disputes over payment terms, or complications with financial intermediaries when importing jewellery tools, dental tools, and dietary supplements. For large orders, advance payments can create cash flow issues, making it difficult to maintain operations or restock goods. Disputes over payment terms, such as advance payments or letters of credit, can result in financial strain, especially if funds are tied up for extended periods. While no such events have occurred before, there is no certainty that similar situations will not happen in the future.

Payment delays or disputes not only disrupt our cash flow but also pose significant risks to our relationships with suppliers. If we fail to make timely payments or if there is a disagreement regarding terms, we may face penalties, damage to our credit standing, or even disruption of future orders. This financial uncertainty makes it harder for us to plan ahead and maintain operational continuity. Over time, frequent payment issues can cause financial instability, reduce our ability to scale, and ultimately erode our revenues. Ensuring smooth, timely transactions with suppliers is essential for sustaining a healthy cash flow and avoiding unnecessary financial pressures.

***26. Hidden costs such as shipping, packaging, taxes, and transportation can lead to significant cost overruns in importing jewellery tools, dental tools, and health supplements, reducing profit margins and making it difficult to maintain competitive pricing, ultimately impacting our financial performance.***

Importing jewellery tools, dental tools, and health supplements can involve numerous hidden costs that can result in significant cost overruns. In addition to the direct cost of the products, there are various additional expenses such as shipping, packaging, taxes, and local transportation that must be accounted for. These unanticipated costs can quickly escalate, pushing the total cost of imports well beyond initial projections. Unexpected price hikes in shipping, increases in fuel prices, or new government taxes can further inflate costs, reducing profit margins and making it more difficult to maintain competitive pricing.

These cost overruns can have a major impact on our financial performance. If we do not accurately account for these additional costs, we may be forced to absorb the increased expenses, which erodes our profitability. Alternatively, we could pass these higher costs onto customers, but this may result in reduced demand if customers find alternatives at lower prices.

Either way, unexpected costs disrupt our revenue model, leading to diminished margins and less predictable profits. Managing these additional costs requires careful budgeting and constant monitoring of the market to ensure that we maintain profitability while remaining competitive in the marketplace. While there have been no such instances in the past, there can be no assurance that there will not be such instances in the future.

***27. Fraud risks with international suppliers, including misrepresentation, counterfeit products, and undelivered goods, can result in financial loss, operational disruptions, and reputational damage, ultimately impacting our financial performance and revenue.***

When dealing with international suppliers, our Company faces the risk of fraud or scams. Fraudulent suppliers may misrepresent their products, fail to deliver goods as promised, or send counterfeit items, especially when handling high-value products like jewellery and dental tools and equipment. These fraudulent activities not only result in financial loss but can also lead to significant operational disruptions where we may be unable to fulfill customer orders, damaging our reputation for reliability.

The financial impact of fraud is substantial, as we may incur the cost of products that are never received or those that are not up to standard. In cases of serious fraud, legal fees, investigations, and claims for compensation can further add to the financial burden. The reputational damage caused by being associated with fraud can also result in long-term revenue loss, as customers may lose trust in our ability to deliver high-quality, authentic products. To mitigate these risks, we invest in thorough vetting of suppliers, but it still remains an ever-present threat that can significantly affect our financial performance. Despite the absence of such incidents in the past, we cannot provide assurance that they would not occur in the future.

***28. The highly competitive Indian market for dietary supplements presents challenges for imported products, as local competitors with established customer loyalty and lower prices can limit our market share and impact profitability.***

The Indian market for health supplements is highly competitive, with many established local players offering similar products at competitive prices. Imported goods often struggle to compete with locally available alternatives that are more familiar to consumers and potentially more affordable. Even if our products are of superior quality, local competitors with a strong presence and established customer loyalty may make it challenging for imported products to get customer attention.

This intense competition can squeeze our profit margins, as we may have to lower prices or increase marketing expenditures to differentiate ourselves from local competitors. If we cannot establish a strong market presence, we may face stagnating sales, making it difficult to achieve the revenue targets needed to support sustainable growth. In a highly competitive landscape, it is essential for us to leverage unique selling points like quality, innovation, and customer service, to capture market share and protect our revenue streams.

***29. As an importer and distributor of jewellery tools, dental tools, and health supplements in India, we face significant risks from stringent and ever-changing import regulations, which can lead to compliance failures, penalties, delays, stock shortages, and ultimately impact our revenues.***

As an importer and distributor of jewellery tools, dental tools, and health supplements in India, our company navigates a challenging landscape of import regulations. India's customs requirements are stringent and multifaceted, with specific rules governing each product category. Jewellery tools and dental equipment must meet precise safety and quality standards, while health supplements are subject to regulations focused on consumer safety and ingredient transparency. These regulations vary depending on the product's nature and country of origin, which significantly complicates the import process and necessitates a thorough understanding of each product's regulatory framework.

In addition, some of the products we import are subject to restrictions or require additional documentation for customs clearance. Failing to adhere to these standards can result in serious consequences, including financial penalties, shipment delays, or even the confiscation of our products by customs authorities. Such risks can disrupt our operations and hinder our ability to serve our customers effectively.

These regulatory challenges not only complicate our logistics but also increase our operational costs and cause delays in getting products to market. Any disruption in the import process—whether from documentation issues or delays in approval—can lead to inventory shortages, missed sales opportunities, and a tarnished reputation. Ultimately, these issues have a direct impact on our revenues. The constant changes in regulations and the potential for unforeseen compliance hurdles make long-term planning difficult, and they put pressure on us to adapt quickly to shifting rules, potentially affecting both our pricing strategies and product availability in an already competitive market. Although there have been no such occurrences in the past, we cannot guarantee that such instances will not arise in the future.

**30. *The deployment of funds raised through this Issue shall not be subject to any Monitoring Agency and shall be purely dependent on the discretion of the management of Our Company.***

Since, the Issue size is less than ₹5,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised from this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and our Company's management will have flexibility in applying the proceeds of the Issue and will not be subject to monitoring by any independent agency. The fund requirement and deployment mentioned in the Objects of the Issue is based on internal management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. However, our Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. Also, in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without the Company being authorized to do so by our shareholders by way of special resolution and other compliances as applicable in this regard. Our Promoters and controlling shareholders shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**31. *Our company faces significant financial risk from fluctuating customs duties and tariffs, which can unpredictably alter product costs, affect profit margins, disrupt pricing strategies, and make it difficult to maintain stable revenue and cash flow.***

As an importer and distributor of jewellery tools, dental tools, and health supplements, our Company faces an inherent risk of fluctuation in customs duties and tariffs. India's import duties are variable, and changes in these duties can drastically alter the cost structure of the products we bring into the country. These duty fluctuations are often influenced by factors such as government policies, trade agreements, and global economic conditions. As a result, predicting the final cost of imported products becomes a challenge, and we may be not always be in a position to pass them on to our customers and have to absorb these increased costs.

The unpredictability of customs duties and tariffs creates a major financial risk for our company, especially when they change unexpectedly or without notice. This not only affects our profit margins but also puts our pricing strategy in jeopardy. If we are forced to raise prices due to increased duties, it could negatively impact sales, particularly in price-sensitive segments. Conversely, if we absorb the additional costs, it directly erodes our profitability. Furthermore, frequent adjustments to duties or tariff structures can disrupt our financial forecasting, making it harder to maintain stable cash flow and profitability. The cumulative effect of these tariff changes can significantly impact our company's revenue over time. While no such events have occurred before, there is no certainty that similar situations will not happen in the future.

**32. *Logistical delays in procuring imports can disrupt our supply chain, incur additional costs, damage our reputation, and ultimately impact sales and revenue.***

Being completely dependent on imports from Europe, the UK, and the USA, logistical delays pose a significant risk to our company's operations. These delays can arise from various factors such as customs clearance issues, transit problems, or unforeseen geopolitical disruptions. When these delays occur, they can disrupt our entire supply chain, preventing us from fulfilling customer orders on time. As a result, customers may turn to alternative suppliers, negatively impacting our sales and market position.

Furthermore, the financial impact of logistical delays can be substantial. Additional costs such as expedited shipping, warehouse storage fees, and other emergency measures to manage inventory shortages quickly add up, eroding our profit margins. These unforeseen expenses not only strain our finances but also compound the negative effects of delays. Repeated disruptions over time can damage our reputation for reliability, leading to decreased customer trust, lower demand, and ultimately reduced revenues. In essence, logistical delays create a cascade of challenges that hinder both operational efficiency and financial stability. While there have been no such instances in the past, there can be no assurance that there will not be such instances in the future.

**33. *We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for 100% of the Plant and Machinery, as specified in the Objects of the Issue chapter. Any delay in procurement of such Plant & Machinery may delay the schedule of implementation and may also lead to increase in cost of these Plant***

***& Machinery, further affecting our revenue and profitability.***

*Although we have identified the installation of Plant & Machinery required. However, we are yet to place orders for 100% installation of Plant & Machinery worth ₹ 1,578.43 Lakhs as detailed in the “Objects of the Issue” beginning on page 80 of this Draft Red Herring Prospectus. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the issue and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Delay in procurement of the same can cause time and cost overrun in the implementation of our proposed expansion and can also compel us to buy the same at a higher price, thus causing the budgeted cost to vary. As a result, our business, financial condition, results of operations and prospects could be materially and adversely affected*

***34. Currency fluctuations between the Indian Rupee and foreign currencies like the Euro or Pound or USD pose a financial risk by increasing the cost of imported products, creating uncertainty in pricing and margins, and potentially eroding profitability if not effectively managed.***

As our Company imports goods from international markets, the risk of currency fluctuation poses a significant threat to our financial performance. Changes in the exchange rate between the Indian Rupee (INR) and foreign currencies such as the Euro or pound or USD can have a direct impact on the cost of our imported products. Any depreciation in the Indian Rupee will increase our cost of purchasing products from our foreign suppliers. This currency risk can create uncertainty around pricing and margins, as we may not be able to immediately adjust our prices to reflect the rising costs.

Moreover, currency fluctuation makes it difficult to forecast financial performance accurately. While we may initially budget for a certain cost of products, the exchange rate may shift unexpectedly, leading to significant price adjustments that could erode profitability. Prolonged depreciation of the INR could force us to absorb higher costs, thereby reducing our overall margins. This unpredictability in currency markets requires constant monitoring and quick decision-making to mitigate its impact. If not managed effectively, currency fluctuations can create a financial burden on our company, significantly affecting our revenues and overall profitability. While no such events have occurred before, there is no certainty that similar situations would not happen in the future.

***35. Failure to secure and protect our intellectual property exposes us to infringement, imitation, legal disputes, and potential loss of market share.***

Our Company faces significant risks related to the protection of our intellectual property (IP). Without proper IP protections in place, we are vulnerable to competitors who may copy our products, eroding the uniqueness of our product offerings and potentially leading to loss of market share.

Additionally, there is the risk of inadvertently infringing on the patents or IP rights of other companies, which could result in costly lawsuits and financial penalties. These legal challenges not only threaten our financial stability but could also damage our reputation and disrupt business operations. To mitigate these risks, it is essential for us to invest in robust legal protections, including patents, trademarks, and copyrights to safeguard our innovations.

***36. Dependence on a single location for operations may have an adverse effect on our business, results of operations and financial condition.***

Our Company faces significant risks by relying on a single location for operations as we have both our warehouses and our Registered Office in the State of Maharashtra. This dependency leaves us vulnerable to disruptions from natural disasters, power outages, or technical failures, which could lead to service downtimes and delays in project delivery. While no such events have occurred before, there is no certainty that similar situations would not happen in the future. In critical situations, such disruptions could compromise our business continuity and damage client relationships.

Additionally, operating from one location limits our ability to scale efficiently and respond to increased demand, while also restricting our access to a broader talent pool. Over time, this concentration of operations could undermine our competitiveness, resilience, and long-term growth potential.



**37. *The future operating results are difficult to predict and may fluctuate or adversely vary from the past performance.***

The Company's operating results may fluctuate or adversely vary from past performances in the future due to a number of factors, many of which are beyond the Company's control. The results of operations during any financial year or from period to period may differ from one another or from the expected results operation. Its business, results of operations and financial condition may be adversely affected by, inter alia, a decrease in the growth and demand for the products offered by us. Due to various reasons including the above, the future performance may fluctuate or adversely vary from our past performances and may not be predictable. For further details of our operating results, section titled "*Financial Information*" beginning on page 192 of this Draft Red Herring Prospectus.

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

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and the industry in which we operate has been based on various web site data and IBEF that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "*Industry Overview*" beginning on page 102 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

**39. *Risk of Fund Deployment Exceeding Estimates.***

Our funds requirements, as disclosed under the Objects of the Issue, are based on internal management estimates and have not been appraised by any bank, financial institution, or external agency. These estimates are subject to change based on factors such as shifts in external circumstances, costs, and business strategy. Consequently, any increase in costs may lead to actual fund deployment exceeding our estimates, placing an additional strain on our financial plans.

As of the date of this Draft Red Herring Prospectus, no definitive agreements have been entered into for implementing the Objects of the Issue. For further details, please refer to the chapter titled "*Objects of the Issue*" on page 80 of the Draft Red Herring Prospectus

The funds requirement mentioned as a part of the Objects of the Issue is based on internal management estimates, wherever possible, and has not been appraised by any bank or financial institution or any external agency. 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, etc. With increase in costs, our actual deployment of funds may exceed our estimates and may cause us an additional burden on our finance plans. As on the date of the Draft Red Herring Prospectus, we have not entered into any definitive agreements for implementing the Objects of the Issue. For more information, please refer to "*Objects of the Issue*" beginning on page 80 of This Draft Red Herring Prospectus.

**40. *We may have in the last 12 months issued Equity Shares at a price that may be at lower than the Issue Price.***

In the last 12 months we have not issued Equity Shares to the Promoters and other Shareholders of our Company at a price that is lower than the Issue Price, except for the Bonus Issue dated June 28, 2024 (in the ratio of 565:1) of 56,50,000 Equity shares at face value of Rs.10/- per Equity Share.

The Equity Shares allotted to investors pursuant to this Issue are being priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For further details of equity shares issued, please refer to the chapter titled "*Capital Structure*" beginning on page 68 of the Draft Red Herring Prospectus.

**41. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue Price.***

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price decided by the Company in consultation with the Book Running Lead Manager. The details of the average cost of acquisition of Equity Shares held by our Promoters as at the date of the Draft Red Herring Prospectus is set out below:

Sr. No.	Name of the Promoter	Equity shareholding as on the date of this Draft Red Herring Prospectus	Average cost of Acquisition per Equity Share (in ₹) *
1.	Devang Champaklal Goradia	50,59,474	NIL
2.	Vaishali Hitesh Mane	5,66,000	0.02
3.	Gaurang Champaklal Goradia	566	10.05

\*As certified by M/s. R H D B & Co LLP, Chartered Accountants, by way of their certificate dated May 01, 2025.

For details regarding weighted average cost of acquisition of Equity Shares by our Promoters in our Company, please refer chapter title “Capital Structure” on page 68 of this Draft Red Herring prospectus.

**42. We have not paid any dividends in the past years. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

Our ability to generate returns for shareholders is dependent on various factors that impact our business and financial condition. Our Company has not paid any dividend on its Equity Shares during the past years. The amount of future dividend payments, if any, will depend upon several factors, such as our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions, capital expenditures and cost of indebtedness.

In addition, our ability to pay dividends may be impacted by various factors, including restrictive covenants under the loan or financing agreements our Company may enter into. Even in years in which we may have profits, we may decide to retain entire earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. There can therefore be no assurance that we will be able to pay dividends in the future. For further details, see section “Dividend Policy” beginning on page 191 of this Draft Red Herring Prospectus.

**43. Our Promoters’ shareholding before and after the completion of the Issue, is substantial which will allow them to influence the outcome of matters submitted for approval of our shareholders.**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 99.40% of the issued and outstanding paid-up share capital of our Company. Following the completion of the Issue, our Promoters and Promoter Group will continue to hold together [●] of our post-Issue Equity Share capital. As a result, they will have the ability to influence matters requiring shareholders’ approval, including the ability to appoint Directors to our Board and the right to approve significant actions at Board and at shareholders’ meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum of Association and Articles of Association, and any other business decisions. We cannot assure that our Promoters and Promoter Group will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business. For further details regarding our shareholding, please refer to the chapter titled “Capital Structure” beginning on page 68 of this Draft Red Herring Prospectus.

**44. Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Issue, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and the Investors may be unable to resell their Equity Shares at or above the Issue Price or at all.**

Prior to the Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Issue. Listing of the Equity Shares does not guarantee that a market for our Equity Shares will develop or, if developed, the market will have liquidity for the Equity Shares. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Issue could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus.

Further, the Issue Price of our Equity Shares shall be determined through the Book Building process. This price is based on numerous factors, including those stated under chapter titled “Basis for Issue Price” beginning on page 93 of this Draft Red Herring Prospectus and may not be indicative of the market price of the Equity Shares upon listing on the Stock Exchange. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure that the Investors will be able to sell their Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

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

A decrease in the market price of our Equity Shares could cause the Investors to lose some or all of their investment.

**45. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of the Investors' Equity Shares at a premium to the market price or would otherwise be beneficial to them. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in our 'control'. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

**46. *The requirements of being a listed company may strain our resources and distract management.***

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur additional legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI Listing Regulations, 2015 which would require us to file audited annual and unaudited semi-annual and limited review reports with respect to our business and financial condition. If we delay making such filings, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

**47. *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares.***

For raising additional funds, we may issue further equity in the capital markets. 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. Any fresh issue of shares or convertible securities would dilute existing holders' shareholding, and such issuance may not be done at terms and conditions, which are favourable to the existing shareholders of our Company. 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.

**48. *We may raise additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure.***

Our growth is dependent on having a balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions. We may need to raise additional capital from time to time, depending 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. 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 financing could cause our debt-to-equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure 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.

## **EXTERNAL RISK FACTORS**

### ***49. Our Business is Dependent on Imports and is Exposed to Risks Arising from Global Tariff Changes and Trade Policies.***

Our business operations involve procurement of raw materials and products from international suppliers. As a result, we are exposed to risks related to fluctuations in global tariffs, changes in trade policies, and the imposition of duties, quotas, import restrictions, or sanctions. Any increase in customs duties or regulatory restrictions on imports may increase the landed cost of goods, disrupt supply chains, or delay procurement schedules.

Changes in bilateral or multilateral trade agreements, withdrawal of benefits under preferential trade arrangements, or adoption of protectionist measures by foreign governments may also affect the availability and pricing of imported goods. Although we monitor trade developments and evaluate alternative sourcing strategies, there can be no assurance that these risks can be fully mitigated. Any adverse changes in international trade regulations or tariffs could impact our procurement costs, supply timelines, margins, and overall business operations.

### ***50. Our major revenue of operation is from India, we are subject to economic, political and market conditions in India, many of which are beyond our control.***

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We are incorporated in India, and most of our business and all our personnel are located in India. Consequently, our business, results of operations, financial condition and cash flows will be affected by a number of macroeconomic and demographic factors in India which are beyond our control. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporates volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters (such as hurricanes, typhoons, floods, earthquakes, tsunamis and fires) which may cause us to suspend our operations;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the Indian markets as well as result in a loss of business confidence in Indian companies;
- epidemics, pandemics or any other public health concerns in India or in countries in the region or globally, including in India's various neighboring countries;

In particular, our total income and profitability are correlated to consumer discretionary spending in India, which is influenced by general economic conditions, salaries, employment levels and consumer confidence. Recessionary economic cycles, a protracted economic slowdown, a worsening economy, increased unemployment, rising interest rates or other industry-wide cost pressures could also affect consumer behavior and spending for consumer products and lead to a decline in our total income and profitability. While our results may not necessarily track India's economic growth figures, the Indian

economy's performance affects the environment in which we operate. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations, financial condition, cash flows and the price of the Equity Shares.

***51. Financial instability in other countries may cause increased volatility in Indian financial markets.***

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, Europe 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 financial sector 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 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. For example, the full-scale military invasion of Russia into Ukraine and the subsequent sanctions placed on Russia by various countries has substantially affected the economic stability of the world and such volatility could impact our Company's growth. In addition, the market price of oil has risen sharply since the commencement of hostilities in Ukraine, which may have an inflationary effect in India and other countries. A prolonged war or a protracted period of hostilities in the Ukraine may lead to global economic disturbances.

In addition, the USA is one of India's major trading partners and any possible slowdown in the American economy could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, results of operation, and cash flows. These developments or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition, results of operations, and cash flows, and reduce the price of the Equity Shares.

***52. Any adverse revision to India's debt rating by a domestic or international rating agency could adversely affect our business.***

India's sovereign debt rating could be adversely affected due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

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

Under applicable Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are taxable in India. A securities transaction tax ("STT") is levied and collected by recognized stock exchanges on transactions involving the sale of listed equity shares.

The taxability of capital gains depends on various factors, including the period of holding of such equity shares, whether the shares are listed or unlisted, and whether STT has been paid on acquisition and sale. Capital gains may be classified as either short-term or long-term and are subject to tax at the rates prescribed under the Income-tax Act, 1961, as amended. Specific exemptions, thresholds, and conditions may apply based on prevailing tax provisions.

Investors are advised to consult their own tax advisors to understand the tax implications in respect of the sale of Equity Shares, including the applicability of capital gains tax, surcharge, cess, exemptions, and reliefs available under the Income-tax Act, 1961 and under applicable double taxation avoidance agreements.

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

Under the Companies Act, a company having share capital and incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution. However, if the laws of the jurisdiction that Investor is in, does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the Investor will be unable to exercise such pre-emptive rights unless the Company makes such a filing. To the extent that the Investor is unable to exercise pre-emptive rights granted in respect of the Equity Shares, the Investor may suffer future dilution of his ownership position and Investor's proportional interests in our Company would be reduced.

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

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

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 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 of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or conditions or at all. For further information, see "Restrictions on Foreign Ownership of Indian Securities" on page 314 of the Draft Red Herring Prospectus.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

**57. *QIBs and NIBs 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 Individual Bidders are not permitted to withdraw their Bids after the Bid/Issue Closing date.***

Pursuant to the SEBI ICDR Regulations, QIBs and NIBs are required to pay the Bid amount on submission of the Bid and 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. Individual Bidders can revise or withdraw their Bids at any time during the Bid/Issue Period and until the Bid/Issue Closing Date, but not thereafter. While our Company is required to complete all necessary formalities for listing and commencement of trading of our Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment pursuant to the Issue, within such period as may be prescribed under applicable law, 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, financial condition and results of operations may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of our Equity Shares even if such events occur, and such events limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Issue or cause the trading price of our Equity Shares to decline on listing. QIBs and NIBs will therefore not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or

economic conditions, our business, results of operations, cash flows or otherwise, between the dates of submission of their Bids and Allotment.

***58. Our business and activities may be further regulated by the Competition Act and any adverse application or interpretation of the Competition Act could materially and adversely affect our business, financial condition and results of operations.***

The Competition Act seeks to prevent business practices that have or are likely to have an appreciable adverse effect on competition in India and has established the Competition Commission of India (the “CCI”). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which, directly or indirectly, determines purchase or sale prices, results in bid rigging or collusive bidding, limits or controls the production, supply or distribution of goods and services, or shares the market or source of production or providing of services by way of allocation of geographical area or type of goods or services or number of customers in the relevant market or in any other similar way, is presumed to have an appreciable adverse effect on competition and shall be void. Further, the Competition Act prohibits the abuse of a dominant position by any enterprise. If it is proven that a breach of the Competition Act committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the breach himself and may be punished as an individual. If we, or any of our employees are penalized under the Competition Act, our business may be adversely affected. Further, the Competition Act also regulates combinations and requires approval of the CCI for effecting any acquisition of shares, voting rights, assets or control or mergers or amalgamations above the prescribed asset and turnover-based thresholds.

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

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. Please refer to “Key Industry Regulations and Policies” on page 157 of this Draft Red Herring Prospectus for details of the laws currently applicable to us.

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

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge being collected by the central and state governments. The GST has led to increased tax incidence and administrative compliance. Any future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

Further, the general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018- 19 onwards, i.e.; financial Year 2017-18 onwards and the same may get triggered once transactions are undertaken to avoid tax. The consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain.

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

***60. Companies in India are required to prepare financial statements under the new Indian Accounting Standards. In addition, all income-tax assesseees in India will be required to follow the Income Computation and Disclosure Standards.***

The Ministry of Corporate Affairs (“MCA”), Government of India, had through notification dated February 16, 2015 issued the Indian Accounting Standards Rules, 2015 (“Ind AS”) which came into effect from April 1, 2015 and are applicable to companies which fulfill certain conditions. Further, there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition.

Further, the Ministry of Finance, Government of India had issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards (“ICDS”), thereby creating a new framework for computation of taxable income. The ICDS have been applicable from the assessment year 2017-2018. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that were followed under general accounting standards, including Indian GAAP and Ind AS. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

***61. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our financial statements are prepared and presented in conformity with Indian GAAP. No attempt has been made to reconcile any of the information given in this document to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

***62. A significant change in the Government of India’s economic liberalization and deregulation policies could adversely affect our business and the price of our Equity Shares.***

The Government of India has traditionally exercised, and continues to exercise, a dominant influence over many aspects of the economy. Unfavourable government policies including those relating to the internet and e-commerce, consumer protection and data-privacy, could adversely affect business and economic conditions in India, and could also affect our ability to implement our strategy and our future financial performance. Since 1991, successive governments, including coalition governments, have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector.

However, the members of the Government of India and the composition of the coalition in power are subject to change. As a result, it is difficult to predict the economic policies that will be pursued by the Government of India. For example, there may be an increasing number of laws and regulations pertaining to the internet and ecommerce, which may relate to liability for information retrieved from or transmitted over the internet or mobile networks, user privacy, content restrictions and the quality of services and products sold or provided through the internet. The rate of economic liberalization could change and specific laws and policies affecting the financial services industry, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. Any significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

***63. Fluctuation in the exchange rate of the Rupee and other currencies could have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Subject to requisite approvals, on listing, our Equity Shares will be quoted in Rupees on the Stock Exchange. Any dividends, if declared, in respect of our Equity Shares will be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to such investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.



***64. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

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

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## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Particulars</b>	<b>Details of Equity Shares</b>
Equity Shares offered through Public Issue by our Company <sup>(1)(2)</sup>	Up to 24,00,000 Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating to ₹ [●].
<b>The Issue consist of:</b>	
Market Maker Reservation Portion	Up to [●] Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating to ₹ [●]
Net Issue to the Public <sup>(3)</sup>	Up to [●] Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating to ₹ [●]
<b>of which*</b>	
<b>A. QIB Portion</b> <sup>(4) (5)</sup>	Not more than [●] Equity Shares (not more the 50%) aggregating up to ₹ [●] lakhs
<b>of which</b>	
(i) Anchor Investor Portion	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
(ii) Net QIB Portion	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>of which</b>	
a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
b) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating up to ₹ [●] lakhs
<b>B. Non-Institutional Portion</b>	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>of which</b>	
One-third of the Non-Institutional Portion available for allocation to Non-Institutional Bidders with an application size of more than ₹ 2.00 Lakhs and up to ₹ 10.00 Lakhs	Up to [●] Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●]
Two-third of the Non-Institutional Category available for allocation to Non-Institutional Bidders with an application size of more than ₹ 10.00 Lakhs	Up to [●] Equity Shares having face value of ₹10 each at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity share) aggregating ₹ [●]
<b>C. Individual Investors' Portion</b>	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>Pre and Post – Issue Equity Capital of our Company</b>	
Equity Shares outstanding prior to the Issue	56,60,000 Equity Shares having face value ₹10 per Equity Share
Equity Shares outstanding after the Issue	Up to [●] Equity Shares having face value ₹10 per Equity Share
Objects of the Issue	Please refer Section titled “Objects of the Issue” beginning on page 80 of this Draft Red Herring Prospectus.

\*Subject to finalization of the Basis of Allotment

Notes:

- (1) Public issue of up to 24,00,000 Equity Shares face value of ₹10 each for cash at a price of ₹ [●] including premium of ₹ [●] per Equity Share of our Company aggregating to ₹ [●]. The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229(1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – Issue paid up equity share capital of our company are being offered to the public for subscription. For further details, please refer to section “Issue Structure” beginning on page 271 of this Draft Red Herring Prospectus.
- (2) The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on March 24, 2025 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 March 26, 2025.
- (3) The SEBI ICDR Regulations, 2018 and as amended thereto, permits the issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to

*Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of shares in non-institutional investors' category the, allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule 76 XIII of the SEBI ICDR Regulations 2018 and as amended thereto. Not more than 50% of the Net Issue shall be allotted to QIBs, subject to valid Bids being received at or above the Issue Price.*

- (4) *Subject to valid Bids being received at or above the Issue 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 combination of categories, as applicable, at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable law.*
- (5) *Our Company, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. 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 Net 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 Net QIB Portions 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 Issue Price. In the event the aggregate demand from Mutual Funds is less than as specified above, 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 details, see "Issue Procedure" beginning on page 271 of this Draft Red Herring Prospectus.*

*SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 03, 2025, has prescribed the allocation to each Individual Investors which shall not be less than minimum application size applied by such individual investors and Subject to the availability of shares in non-institutional investors' category, the allotment to Non- Institutional Investors shall be more than two lots which shall not be less than the minimum application size in the Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Further, SEBI through its circular SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, has prescribed that all individual Investors applying in initial public offerings opening on or after May 1, 2022, where the Bid amount is up to ₹ 5,00,000 shall use UPI. UPI Bidders using the UPI Mechanism, shall provide their UPI ID in the Bid cum Application Form for Bidding through 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*

*For further details regarding the Issue Structure and Procedure, please refer to the chapters titled "Issue Structure" and "Issue Procedure" beginning on pages 271 and 277 respectively of this Draft Red Herring Prospectus.*

## SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Financial Information for the nine-month period ended December 31, 2024 and as at and for the Financial Years ended March 31, 2024, 2023 and 2022. The Restated Financial Information referred to above is presented under the section titled “Financial Information” beginning on page 192 of this Draft Red Herring Prospectus. The summary of financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and the chapters titled “Financial Information” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” beginning on pages 192 and 225, respectively of this Draft Red Herring Prospectus.

### RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars		As At 31-Dec-24	As At 31-Mar-24	As At 31-Mar-23	As At 31-Mar-22
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders’ funds</b>				
	(a) Share capital	566.00	1.00	1.00	1.00
	(b) Reserves and surplus	977.61	1,104.3	208.97	90.86
<b>2</b>	<b>Non-current liabilities</b>				
	(a) Long term provisions	8.86	6.73	7.36	6.36
<b>3</b>	<b>Current liabilities</b>				
	(a) Short-term borrowings	0.00	0.00	0.00	1.03
	(b) Trade payables				
	(i) Dues to MSME	2.28	14.28	2.98	21.25
	(ii) Dues to others	1,596.98	1,913.31	2,010.54	1,557.37
	(c) Other current liabilities	44.03	18.00	21.64	23.51
	(d) Short term provisions	92.88	1.58	1.69	2.07
	<b>TOTAL</b>	<b>3,288.64</b>	<b>3,059.19</b>	<b>2,254.17</b>	<b>1,703.44</b>
<b>II.</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>				
	(a) Property, plant and equipment and Intangible assets				
	i. Property, plant and equipment	40.05	52.47	51.96	28.32
	(b) Deferred tax assets (Net)	10.00	9.36	8.32	8.21
	(c) Long term loans and advances	38.82	0.00	0.00	0.00
	(d) Other Non-current assets	12.42	11.51	10.97	10.97
<b>2</b>	<b>Current assets</b>				
	(a) Current investments	1,759.57	1,546.08	825.46	613.82
	(b) Inventories	751.30	968.52	650.25	466.04
	(c) Trade receivables	408.18	250.46	430.18	335.14
	(d) Cash and bank balances	252.55	152.72	172.43	35.41
	(e) Short term loans and advances	15.75	68.04	104.58	205.53
	(f) Other Current Asset	0.00	0.03	0.00	0.00
	<b>TOTAL</b>	<b>3,288.64</b>	<b>3,059.19</b>	<b>2,254.17</b>	<b>1,703.44</b>

# **RESTATED PROFIT AND LOSS STATEMENT**

(₹ in Lakhs)

Particulars		As At 31- Dec-24	As At 31- Mar-24	As At 31- Mar-23	As At 31- Mar-22
<b>I.</b>	<b>INCOME</b>				
	(a) Revenue from operations (net)	2,415.91	3,154.24	3,304.49	2,524.96
	(b) Other Income	496.39	774.80	187.89	212.56
	<b>TOTAL</b>	<b>2,912.3</b>	<b>3,929.04</b>	<b>3,492.38</b>	<b>2,737.52</b>
<b>II.</b>	<b>EXPENDITURE</b>				
	(a) Purchase of traded goods	1,606.63	2,834.40	2,828.82	2,203.16
	(b) Changes in Inventory of traded goods	217.22	-318.27	-184.22	-131.40
	(c) Employee benefit expenses	105.22	166.02	75.16	72.12
	(d) Finance cost	0.00	0.00	0.02	1.08
	(e) Depreciation and amortisation expenses	11.90	18.74	12.60	12.20
	(f) Other Expenses	348.10	195.33	583.64	698.31
	<b>TOTAL</b>	<b>2,289.07</b>	<b>2,896.23</b>	<b>3,316.03</b>	<b>2,855.47</b>
<b>III.</b>	<b>PROFIT BEFORE EXCEPTIONAL; EXTRA ORDINARY ITEMS AND TAX</b>	<b>623.23</b>	<b>1032.82</b>	<b>176.36</b>	<b>-117.94</b>
<b>IV.</b>	<b>EXCEPTIONAL ITEMS</b>	0.00	0.00	0.00	0.00
<b>V.</b>	<b>EXTRA ORDINARY ITEMS</b>	0.00	0.00	0.00	0.00
<b>Vi.</b>	<b>PROFIT BEFORE TAX</b>	<b>623.23</b>	<b>1032.82</b>	<b>176.36</b>	<b>-117.94</b>
<b>VII.</b>	<b>TAX EXPENSE:</b>				
	(1) Current tax	-185.57	-138.52	-58.36	-28.84
	(2) Deferred tax	0.65	1.03	0.11	0.37
<b>VIII.</b>	<b>PROFIT / (LOSS) FOR THE YEAR</b>	<b>438.31</b>	<b>895.33</b>	<b>118.11</b>	<b>-146.42</b>
<b>IX.</b>	<b>EARNINGS PER EQUITY SHARE</b>				
	<i>(nominal value of share Rs. 10, basic and diluted)</i>				
	(1) Basic	7.74	15.82	2.09	-2.59
	(2) Diluted	7.74	15.82	2.09	-2.59

# **RESTATED CASH FLOW STATEMENT**

(₹ in Lakhs)

Particulars		As At 31- Dec-24	As At 31- Mar-24	As At 31- Mar-23	As At 31- Mar-22
<b>A.</b>	<b>Cash flow from operating activities</b>				
	Profit / (Loss) before tax	623.23	1,032.82	176.36	-117.94
	<b>Adjustments for non-cash transactions:</b>				
	Depreciation	11.90	18.74	12.60	12.20
	Gratuity provision / (reversal)	0.92	-0.74	2.27	0.00
	Diminution in value of investments (net)	193.49	-349.15	67.78	281.38
	Allowance for bad and doubtful debts	0.00	1.53	0.00	0.50
	Balances written back	-37.55	-0.20	0.00	-0.84
	Unrealised foreign exchange (gain) / loss	-61.09	-23.79	76.89	-18.18
	<b>Items considered separately:</b>				
	Interest & Finance Charges	0.00	0.00	0.02	1.08
	Profit on Sale of Motor Car	-3.92	0.00	-2.49	0.00
	Profit on sale of investments	-333.03	-389.61	-32.02	-158.12
	Interest income on fixed deposits	-1.49	-0.84	-2.06	-1.08
	Dividend income	-30.46	-19.59	-10.53	-6.11
	<b>Operating profit / (loss) before working capital changes</b>	<b>362.01</b>	<b>269.14</b>	<b>288.82</b>	<b>-7.13</b>
	<u>Changes in working capital:</u>				
	Adjustments for (increase) / decrease in assets:				
	Inventories	217.22	-318.27	-184.22	-131.40
	Trade receivables	-157.72	178.60	-95.06	28.28
	Short term loans and advances	52.29	60.37	401.69	-192.05
	Other current assets	0.03	-0.03	0.00	0.00
	Adjustments for increase / (decrease) in liabilities:				
	Trade payables	-328.32	-100.13	436.94	239.28
	Short-term provisions	91.30	0.00	0.00	0.00
	Other current liabilities	26.03	10.24	-3.61	-26.69
	<b>Cash generated from operations</b>	<b>262.84</b>	<b>99.92</b>	<b>844.56</b>	<b>-89.71</b>
	Taxes Paid towards operating activities	-57.29	-70.28	-50.30	-0.02
	<b>Net cash generated from operating activities (A)</b>	<b>205.54</b>	<b>29.65</b>	<b>794.26</b>	<b>-89.73</b>
<b>B.</b>	<b>Cash flow from investing activities</b>				
	Outflow on purchase of Property, plant and equipments	-1.56	-16.78	-41.40	-1.48
	Outflow on purchase of Equity Shares	-1,362.92	-7,556.30	-2,884.82	-1,473.47
	Outflow on purchase of fixed deposits	-1,143.00	-994.06	-3,298.77	-1,872.64
	Outflow on tax paid towards investing activities	-35.76	-68.24	-8.06	-28.82
	Inflow on sale of Property, plant and equipments	6.00	0.00	14.46	0.00
	Inflow on sale of Equity Shares	1,486.58	7,571.53	2,251.04	1,529.89
	Inflow on maturity of fixed deposits	913.00	994.06	3,298.77	1872.64
	Interest income on fixed deposits	1.49	0.84	2.06	1.08
	Inflow from dividend income	30.46	19.59	10.53	6.11

Particulars		As At 31- Dec-24	As At 31- Mar-24	As At 31- Mar-23	As At 31- Mar-22
	<b>Net cash flow generated from investing activities (B)</b>	<b>-105.72</b>	<b>-49.36</b>	<b>-656.19</b>	<b>33.31</b>
<b>C.</b>	<b>Cash flow from financing activities</b>				
	Inflow from long term borrowings	0.00	0.00	0.00	0.00
	Outflow from long term borrowings	0.00	0.00	0.00	-4.17
	Outflow from short term borrowings	0.00	0.00	-1.03	-34.62
	Outflow of Interest expenses	0.00	0.00	-0.02	-1.08
	<b>Net cash flow generated from financing activities (C)</b>	<b>0.00</b>	<b>0.00</b>	<b>-1.04</b>	<b>-39.87</b>
	<b>Net increase / (decrease) in cash / cash equivalents (A+B+C)</b>	99.83	-19.71	137.02	-96.29
	<b>Add: Cash and cash equivalents at beginning of the year</b>	152.72	172.43	35.41	131.70
	<b>Cash and cash equivalents at end of the year</b>	<b>252.55</b>	<b>152.72</b>	<b>172.43</b>	<b>35.41</b>

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## GENERAL INFORMATION

Our Company was incorporated as a Private Limited Company (the “**Issuer**” or our “**Company**”) in the name “ADF Overseas Private Limited”, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 2, 2008 issued by the Registrar of Companies, Maharashtra, Mumbai. Later, our Company pursuant to a special resolution passed by its shareholders at their Extra-Ordinary General Meeting held on October 12, 2011, changed its name from “ADF Overseas Private Limited” to “ARC Distributors (I) Private Limited” and a Fresh Certificate of Incorporation consequent to change in name was issued on October 24, 2011 by the Registrar of Companies, Maharashtra, Mumbai. Subsequently, pursuant to a special resolution passed by the shareholders of our Company at their Extra-Ordinary General Meeting held on July 31, 2024, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to “ARC Distributors (I) Limited” and a Fresh Certificate of Incorporation consequent to Conversion was issued on November 05, 2024 by the Registrar of Companies, Central Processing Centre. The Corporate Identity Number of the Company is U46909MH2008PLC180740.

For details of change in registered office of our Company, please refer to chapter titled “*History and Corporate Structure*” beginning on page 162 of this Draft Red Herring Prospectus.

### BRIEF INFORMATION ON COMPANY AND ISSUE

Particulars	Details
<b>Name of Issuer</b>	ARC Distributors (I) Limited
<b>Registered Office</b>	ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India
<b>Date of Incorporation</b>	April 02, 2008
<b>Corporate Identity Number</b>	U46909MH2008PLC180740
<b>Company Registration Number</b>	180740
<b>Company Category</b>	Company Limited by Shares
<b>Registrar of Company</b>	Registrar of Companies, Maharashtra at Mumbai
<b>Address of the ROC</b>	100, Everest, Marine Drive, Netaji Subhash Chandra Bose Rd, Dhus wadi, Churchgate, Mumbai, Maharashtra 400002, India <b>Telephone No.:</b> 022-22812627/22020295/22846954 <b>Email Id:</b> roc.mumbai@mca.gov.in <b>Website:</b> www.mca.gov.in
<b>Designated Stock Exchange ^</b>	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai- 400001 <b>Telephone:</b> +91 22 2272 8017 <b>Website:</b> www.bsesme.com
<b>Company Secretary and Compliance Officer</b>	<b>Name:</b> Pragnesh Ganpat Patel <b>Address:</b> ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India <b>Telephone No.:</b> 022 2860 2323 <b>Email Id:</b> CS@arc-distributors.com
<b>Chief Financial Officer</b>	<b>Name:</b> Sanchit Mahesh Sawant <b>Address:</b> ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India <b>Telephone No.:</b> 022 2860 2323 <b>Email Id:</b> Sanchit@arc-distributors.com
<b>Issue Programme**</b>	<b>Issue Opens On: [●]</b> <b>Issue Closes On: [●]</b> <b>Anchor Bid Opens on*: [●]</b>

^ In compliance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, 2018, we will submit an application to the SME Platform of BSE solely for the listing of our equity shares.

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

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



*Note: Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days. The UPI mandate end time and date shall be at 5.00 p.m. on the Bid/ Issue Closing Date.*

## **BOARD OF DIRECTORS OF OUR COMPANY**

Presently our Board of Directors comprises following Directors.

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Devang Champaklal Goradia	Chairman & Managing Director	162/1B, Windermere CHS, Off New Link Road Near Mega Mall Oshiwara, Andheri West, Mumbai, Azad Nagar Mumbai Suburban Maharashtra-400053.	01951816
Gaurang Champaklal Goradia	Whole time Director	Devang C Goradia, 1 B/162, Winderemere, Oshiwara Link Road, Andheri West, VTC: Mumbai, PO: Andheri Railway Station, DIST: Mumbai Suburban, Maharashtra-400058	02255895
Vaishali Hitesh Mane	Non-Executive Director	Near Bhakti Dham Mandir A/502, Bawa Tower, Narayan Nagar, V. N. Purav Marg, Chunabhatti, Sion, Mumbai, Maharashtra – 400022.	08152077
Vaibhav Vishnu Pawar	Non-Executive Director	Room No. 4, Barkubai Chawl, 155 Link Road, Near Toyota Showroom, Kumbharwada, Malad West, Mumbai, Maharashtra- 400064.	03536593
Sumit Rameshbhai Gosrani	Independent Director	Block No. 404, Samruddhi Apartment, Opposite K.D. Tower, Hirji Mistry Road, Dangarvada, Digvijay Plot, Kalavad, Jamnagar, Gujarat - 361005	10838216
Hiren Mahendra Mehta	Independent Director	Shri Ratan Mahal, 2 <sup>nd</sup> Floor, MG Road, next Milan Shopping Centre, Ghatkopar West Mumbai, Maharashtra - 400086	07139044

For further details of our directors, see “*Our Management*” on page 167 of this Draft Red Herring Prospectus.

## **INVESTOR GRIEVANCES**

**Investors may contact the Company Secretary and Compliance Officer and /or the Registrar to the Issue and/or Book Running Lead Manager in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account and non-receipt of funds by electronic mode.**

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgement Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

In terms of SEBI circular no. *SEBI/HO/CFD/DIL2/CIR/P/2018/22*, dated *February 15, 2018*, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

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

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
<b>Cumulative Capital Private Limited</b> 321, 3 <sup>rd</sup> Floor, C Wing, 215 Atrium Co Op. Premises, Andheri Kurla Road, Hanuman Nagar, Andheri (E) Mumbai - 400 093, Maharashtra, India. <b>Telephone:</b> +91 820 005 2280 / 98196 62664 <b>Facsimile:</b> N.A. <b>E-mail:</b> <a href="mailto:contact@cumulativecapital.group">contact@cumulativecapital.group</a> <b>Investor grievance:</b> <a href="mailto:investor@cumulativecapital.group">investor@cumulativecapital.group</a> <b>Contact Person:</b> Jigar Bhanushali/ Swapnilsagar Vithalani <b>Website:</b> <a href="http://www.cumulativecapital.group">www.cumulativecapital.group</a> <b>SEBI Registration Number:</b> INM000013129 <b>CIN:</b> U64910MH2023PTC414974	<b>Kfin Technologies Limited</b> 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Kurla, Mumbai, Mumbai, Maharashtra, India, 400070 <b>Telephone:</b> +91 40 67162222 <b>Email:</b> <a href="mailto:adil.ipo@kfintech.com">adil.ipo@kfintech.com</a> <b>Toll Free No:</b> 1800 309 4001 <b>Investor Grievance Email:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> <b>Contact Person:</b> M Murali Krishna <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a> <b>SEBI Registration Number:</b> INR000000221 <b>CIN:</b> L72400MH2017PLC444072
STATUTORY & PEER REVIEW AUDITORS OF THE COMPANY	LEGAL ADVISOR TO THE COMPANY
<b>R H D B &amp; Co LLP</b> <b>Address:</b> A-402, Dipti Classic, 15 Suren Road, Near WEH Metro Station, Andheri East, Mumbai -400093, India <b>Contact No.:</b> 022-45000235-Extn-7 <b>Email Id:</b> <a href="mailto:viral@rhdb.in">viral@rhdb.in</a> ; <a href="mailto:dharmen@rhdb.in">dharmen@rhdb.in</a> <b>Contact Person:</b> CA Viral Shah <b>Membership No. :</b> 189204 <b>Firm Registration No.:</b> 132490W/W-100125 <b>Peer Review No.:</b> 015836	<b>Zenith India Lawyers</b> <b>Address:</b> D-49, First Floor, Sushant Lok III Extension Sector 57, Gurugram Haryana – 122 003, India. <b>Email:</b> <a href="mailto:raj@zilawyers.com">raj@zilawyers.com</a> <b>Website:</b> <a href="http://www.zilawyers.com">www.zilawyers.com</a> <b>Contact Person:</b> Raj Rani Bhalla <b>Tel No.:</b> 0124-4240681
BANKERS TO THE COMPANY	
<b>Axis Bank Ltd</b> <b>Address:</b> Shop No 1, Bharat Ausbury Park, Mahavira Nagar, Kandivali west, Mumbai 400067, Maharashtra <b>Tel No.:</b> 9167002011 <b>Email:</b> <a href="mailto:Kandivali.Branchhead@axisbank.com">Kandivali.Branchhead@axisbank.com</a> <b>Contact Person:</b> Anirban Basu <b>CIN:</b> L65110GJI993PLC020769	<b>IDBI Bank</b> <b>Address:</b> New Cosmos CHS, Main Sai Road, Juhu Versova Link Road, Versova, Andheri West, Mumbai-400053 <b>Tel No:</b> 022-26256740/41/42/43 <b>Email:</b> <a href="mailto:rb162@idbi.co.in">rb162@idbi.co.in</a> <b>Contact Person:</b> Shri Rovin Kami <b>CIN:</b> L65190MH2004GOI148838
SYNDICATE MEMBER	BANKERS TO THE ISSUE, REFUND BANKER AND SPONSOR BANK
<b>Name:</b> [●] <b>Address:</b> [●] <b>Telephone:</b> [●] <b>Fax:</b> [●] <b>Email:</b> [●] <b>Website:</b> [●] <b>Contact Person:</b> [●] <b>SEBI Certificate Registration:</b> [●]	<b>Name</b> [●] <b>Address:</b> [●] <b>Tel No:</b> [●] <b>Email:</b> [●] <b>Website:</b> [●] <b>Contact Person:</b> [●] <b>SEBI Certificate Registration:</b> [●]

## CHANGES IN AUDITORS

No other changes have been taken place in the Statutory Auditors of our Company during the last three years preceding the date of this Draft Red Herring Prospectus, except as disclosed below:

Particulars	Date of Change	Reason for Change	Period
<b>R H D B &amp; Co LLP</b> <b>Address:</b> A-402, Dipti Classic, 4 <sup>th</sup> Floor, 15 Suren Road, Near WEH Metro Station, Andheri East, Mumbai -400093, India <b>Contact No.:</b> 022-45000235-Extn-7 <b>Email Id:</b> viral@rhdb.in, dharmen@rhdb.in <b>Contact Person:</b> CA Viral Shah <b>Membership No. :</b> 189204 <b>Firm Registration No.:</b> 132490W/W-100125 <b>Peer Review No.:</b> 015836	September 30, 2024	Re-Appointed as Statutory Auditor	Financial Year 2024-25 to 2028-29

## **FILING OF DRAFT RED HERRING PROSPECTUS/RED HERRING PROSPECTUS/PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES**

The Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus shall be filed with BSE SME situated at Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

As per SEBI Circular No. *SEBI/HO/CFD/PoD-1/P/CIR/2023/29* dated *February 15, 2023*, Company shall upload the Issue Summary Document (ISD) on the Stock Exchange portal.

The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, the copy of the Offer Document shall be furnished to the Board (SEBI) in a soft copy. Pursuant to SEBI Circular Number *SEBI/HO/CFD/DIL1/CIR/P/2018/011* dated *January 19, 2018*, a copy of the Offer Document will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus along with the documents required to be filed under Section 32 of the Companies Act, 2013 and copy of the Prospectus to be filed under 26 of the Companies Act, 2013 would be filed with the RoC Mumbai situated at 100, Everest, Marine Drive, Netaji Subhash Chandra Bose Rd, Dhus wadi, Churchgate, Mumbai, Maharashtra 400002, India through the electric portal at <http://www.mca.gov.in/mcafoportal/loginvalidateuser.do>.

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

Cumulative Capital Private Limited is the sole Book Running Lead Manager (BRLM) to the Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them.

## **DESIGNATED INTERMEDIARIES**

### **Self-Certified Syndicate Bank(s)**

The list of banks that have been notified by SEBI to act as the SCSBs (i) in relation to the ASBA (other than through UPI Mechanism) is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> or <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>, as applicable or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at <https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> or such other website as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, refer to the above-mentioned link or any other such website as may be prescribed by SEBI from time to time.

### **Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI

(<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 Application Forms from the members of Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>).

### **Self-Certified Syndicate Banks Eligible as Sponsor Banks for UPI**

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=41>.

For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above-mentioned SEBI link.

### **REGISTERED BROKERS**

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

### **REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, respectively, as updated from time to time.

### **COLLECTING DEPOSITORY PARTICIPANTS (CDPs)**

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

### **EXPERT OPINION**

Our Company has not obtained any expert opinions except the following:

We have received consent dated April 26, 2025 from the Peer Review Auditors of the Company to include their name as an expert in this Draft Red Herring Prospectus in relation to the (a) Peer Review Auditors' reports on the restated Audited financial statements, and (b) Statement of Possible Special Tax Benefits by the Peer Review Auditors and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

### **MONITORING AGENCY**

Since the proceeds from the Fresh Issue does not exceed ₹ 5,000 Lakhs in terms of Regulation 262 (1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### **APPRAISING AUTHORITY**

None of the objects of the Issue for which the Net Proceeds will be utilised have been appraised by any agency. Accordingly, no appraising entity has been appointed in the Issue.

### **CREDIT RATING**

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

## **IPO GRADING**

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

## **DEBENTURE TRUSTEES**

As this is an issue of Equity Shares, the appointment of Trustees is not required.

## **GREEN SHOE OPTION**

No green shoe option is applicable for the Issue.

## **BOOK BUILDING PROCESS**

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process and advertised in all editions of [●], an English National Newspaper, all editions of [●], a Hindi National Newspaper and [●] editions of [●], a Marathi Daily Newspaper (Marathi being the regional language of Maharashtra where our Registered Office is located) at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date.

Principal parties involved in the Book Building Process are-

- Our Company;
- The Book Running Lead Manager, in this case being Cumulative Capital Private Limited
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with BSE Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue, in this case being Kfin Technologies Limited
- The Escrow Collection Banks/ Bankers to the Issue and
- The Designated Intermediaries and Sponsor bank

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

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the “Anchor Investor Portion”), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders (except the Anchor Investors) shall participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs or, in the case of UPI Bidders, by using the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIB and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Anchor Investors are

not allowed to revise and withdraw their Bids after the Anchor Investor Bidding Date. Individual Bidders can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date.

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

For details in this regards, specific attention is invited to the chapter titled “*Issue Procedure*” beginning on page 277 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 277 of this Draft Red Herring Prospectus.

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

Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

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

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

- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 277 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### **Bid/Issue Program:**

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

<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/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date in accordance with the SEBI (ICDR) Regulations.

<sup>(2)</sup> In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. SEBI pursuant to its circular bearing reference number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 has reduced the time taken for listing of specified securities after the closure of public issue to 3 working days (T+3 days); ‘T’ being Issue Closing Date. Our Company shall follow the timelines provided under the aforementioned circular.

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

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

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

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data

contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserves the right to not to proceed with the issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof. If our Company withdraws the Issue anytime after the Bid/ Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-issue and price band advertisements have appeared and the Stock Exchange will also be informed promptly.

The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

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

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

## UNDERWRITING AGREEMENT

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

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

*(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Red Herring Prospectus or the Prospectus, with the RoC as the case may be. This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)*

As per Regulation 260(2) & (3) of SEBI (ICDR) Regulations, 2018, the Book Running Lead manager has agreed to underwrite to a minimum extent of [●] % of the Issue out of its own account. In the opinion of the Board of Directors (based on certificates given by the Underwriters), the resources of the above- mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

### Market Maker

<b>Name:</b>	[●]
<b>Address:</b>	[●]
<b>Tel No:</b>	[●]
<b>Fax No:</b>	[●]
<b>Contact Person:</b>	[●]
<b>Email:</b>	[●]
<b>Website:</b>	[●]
<b>Contact Person:</b>	[●]
<b>SEBI Registration No.:</b>	[●]



Our Company and the Book Running Lead Manager, have entered into an agreement dated [●] with [●], a Market Maker registered with SME Platform of BSE in order to fulfill the obligations of Market Making.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

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

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the exchange in advance for each and every blackout period when the quotes are not being offered by the Market Maker.
2. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of BSE from time to time.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the [●] Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above [●] Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
6. The Market Maker may also be present in the opening call auction, but there is no obligation on him to do so.
7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
8. 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.
9. The shares of the Company will be traded in continuous trading session from the time and day the company gets listed on SME Platform of BSE and Market Maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
10. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems or any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange to decide controllable and uncontrollable reasons would be final.
11. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
12. The Market Maker shall have the right to terminate the said arrangement by giving three months-notice or on mutually acceptable terms to the Book Running Lead Manager, who shall then be responsible to appoint a replacement Market Maker.

In case of termination of the above mentioned Market Making Agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further the Company and the Book Running Lead

Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.

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

15. **Price Band and Spreads:** SEBI Circular bearing reference no: *CIR/MRD/DP/ 02/2012* dated *January 20, 2012*, has laid down that for Issue size up to ₹ 250 Crores, the applicable price bands for the first day shall be:
  - In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue price.

Additionally, the trading shall take place in the TFT segment for the first 10 days from commencement of trading. The price band shall be 20% and the Market Maker Spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

The following spread will be applicable on the SME Platform:

Sr. No.	Market Price Slab (in Rs.)	Proposes Spread (in % of Sale Price)
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

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

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹ 20 Crores	25%	24%
₹ 20 Crores to ₹ 50 Crores	20%	19%
₹ 50 Crores to ₹ 80 Crores	15%	14%
Above ₹ 80 Crores	12%	11%

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

On the first day of listing, there will be a pre-open session (call auction) and thereafter trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and will remain in Trade for Trade settlement for 10 days from the date of listing of Equity Shares on the Stock Exchange.

## CAPITAL STRUCTURE

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

(₹ in Lakh except the share data)

Sr. No.	Particulars	Aggregate Nominal value	Aggregate value at issue price <sup>(1)</sup>
<b>A.</b>	<b>Authorized Share Capital</b>		
	85,00,000 Equity Shares of face value of ₹ 10/- each	850.00	[●]
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Equity Share Capital before the Issue <sup>(2)</sup></b>		
	56,60,000 Equity Shares of face value of ₹ 10/- each	566.00	[●]
<b>C.</b>	<b>Present Issue in terms of the Draft Red Herring Prospectus <sup>(3)</sup></b>		
	Issue of up to 24,00,000 Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share (including premium of ₹ [●] per Equity Share) aggregating ₹ [●].	[●]	[●]
	<b>Which comprises:</b>		
<b>I.</b>	<b>Reservation for Market Maker portion</b>		
	[●] Equity Shares of ₹ 10/- each at a price of ₹ [●]/- per Equity Share (including premium of ₹ [●] per Equity Share)	[●]	[●]
<b>II.</b>	<b>Net Issue to the Public</b>		
	[●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share (including premium of ₹ [●] per Equity Share)	[●]	[●]
	Of which:		
	Not more than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Qualified Institutional Buyers	[●]	[●]
	Not Less than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Non-Institutional Investors	[●]	[●]
	Not less than [●] Equity Shares of ₹ 10/- each at an Issue Price of ₹ [●]/- per Equity Share will be available for allocation to Individual Investors	[●]	[●]
<b>D.</b>	<b>Issued, Subscribed and Paid-up Share Capital after the Issue</b>		
	[●] Equity Shares of face value of ₹ 10/- each	[●]	-
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue		Nil
	After the Issue		[●]

(1) To be finalized upon determination of Issue Price.

(2) As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares of our Company and there is no share application money pending for allotment.

(3) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 24, 2025 and by the shareholders of our Company vide a special resolution passed at the Extra Ordinary General Meeting (EOGM) held on March 26, 2025, under section 23 and 62(1)(c) of the Companies Act, 2013.

## CLASS OF SHARES

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

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

## NOTES TO THE CAPITAL STRUCTURE:

The present Public Issue of upto 24,00,000 Equity Shares of ₹ 10/- each has been authorized by the Board of Directors of our Company at its meeting held on March 24, 2025 and was approved by the Shareholders of the Company by Special Resolution at the Extra Ordinary General Meeting held on March 26, 2025 as per the provisions of Section 62(1)(c) of the Companies Act, 2013.

## 1. Changes in the Authorized Share Capital of our Company

Since incorporation of our Company, the authorized equity share capital of our Company has been changed in the manner set forth below:

Sr. No.	Particulars of Increase	Cumulative No. of Equity Shares	Face Value (₹)	Cumulative Authorized Share Capital (₹ in Lakhs)	Date of Meeting	Whether AGM/ EOGM
1.	Upon Incorporation *	50,000	10.00	5.00	N.A.	N.A.
2.	Increase in Authorized Share Capital from ₹ 5.00 Lakhs to ₹ 850.00 Lakhs	85,00,000	10.00	850.00	April 25, 2024	EOGM

\*The date of incorporation of the Company is April 02, 2008.

## 2. History of Issued and Paid-Up Share Capital of our Company

### a) Equity Share Capital

The history of the issued and paid-up equity share capital of our Company is set forth below:

Date of allotment	No. of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of Consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹ in Lakhs)	Cumulative Securities Premium (₹ in Lakhs)
Upon Incorporation	10,000	10.00	10.00	Cash	Subscriber to the MOA <sup>(1)</sup>	10,000	1.00	NA
June 28, 2024	56,50,000	10.00	NA	Other than Cash	Bonus Issue (565:1) <sup>(2)</sup>	56,60,000	566	Nil

(1) The initial subscribers to the Memorandum of Association subscribed to 10,000 Equity Shares, with a face value of ₹ 10.00 each, as outlined below:

Sr. No.	Name of Allottees	No. of Equity Shares Allotted
1	Devang Champaklal Goradia	7,500
2	Akshat Gulshan Bhatia	2,500
<b>Total</b>		<b>10,000</b>

(2) Bonus Issue of 56,50,000 Equity Shares of face value of ₹ 10.00 each on June 28, 2024 in the ratio of 565:1 (565 new shares for every 1 equity share held) as outlined below:

Sr. No.	Name of Allottees	No. of Equity Shares Allotted
1	Devang Champaklal Goradia	50,50,535
2	Vaishali Hitesh Mane	5,65,000
3	Riddhi Kasliwali	22,600
4	Gaurang Champaklal Goradia	565
5	Mohamed Vasim Jainulali Shaikh	5,650
6	Parth Arjun Vyas	2,825
7	Rutu Parth Vyas	2,825
<b>Total</b>		<b>56,50,000</b>

Bonus issue was authorised by the resolutions passed by our Board of Directors and Shareholders at their meeting held on June 27, 2024 and was undertaken by capitalizing the reserves and surplus amount of ₹ 565.00 lakhs available in the reserves and surplus account. The bonus issuance was not undertaken out of the revaluation reserves of the Company and hence eligible for Minimum Promoters' Contribution.

#### b) Preference Share Capital

Our Company has not issued any preference shares since incorporation.

#### 3. Shares issued for consideration other than cash.

Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash

Date of Allotment	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits accrued to Company	Name of Allottees	No. of Equity Shares
June 28, 2024	10.00	NA	Issue of bonus shares in the ratio of 565:1 (i.e. 565 new Equity Shares for every 1 Equity Share held)	Broad basing the Capital	Devang Champaklal Goradia	50,50,535
					Vaishali Hitesh Mane	5,65,000
					Riddhi Kasliwali	22,600
					Gaurang Champaklal Goradia	565
					Mohamed Vasim Jainulali Shaikh	5,650
					Parth Arjun Vyas	2,825
					Rutu Parth Vyas	2,825
					<b>Total</b>	<b>56,50,000</b>

- Our Company has not issued or allotted any equity shares or preference shares pursuant to schemes of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013, as applicable.
- Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
- Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Scheme from the proposed Issue. 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, 2021.
- Except as disclosed below, our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus:

Date of Allotment	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits accrued to Company	Name of Allottees	No. of Equity Shares	Promoter/ Promoter Group
June 28, 2024	10.00	NA	Issue of bonus shares in the ratio of 565:1 (i.e. 565 new Equity Shares for every 1 Equity Share held)	Broad basing the Capital	Devang Champaklal Goradia	50,50,535	Promoter
					Vaishali Hitesh Mane	5,65,000	Promoter
					Riddhi Kasliwali	22,600	-
					Gaurang Champaklal Goradia	565	Promoter
					Mohamed Vasim Jainulali Shaikh	5,650	-
					Parth Arjun Vyas	2,825	-
					Rutu Parth Vyas	2,825	-
					<b>Total</b>	<b>56,50,000</b>	<b>-</b>

#### 8. Our Shareholding Pattern:

The Shareholding Pattern of our Company before the Issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given below:

<b>Sr. No.</b>	<b>Particular</b>	<b>Yes/ No</b>	<b>Promoters and Promoters Group</b>	<b>Public shareholder</b>	<b>Non-Promoters – Non-Public</b>
1.	Whether the Company has issued any partly paid-up shares?	No	No	No	No
2.	Whether the Company has issued any Convertible Securities?	No	No	No	No
3.	Whether the Company has issued any Warrants?	No	No	No	No
4.	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5.	Whether the Company has any shares in lock-in?*	No	No	No	No
6.	Whether any shares held by promoters are pledged or otherwise encumbered?	No	No	NA	NA
7.	Whether the Company has equity shares with differential voting rights?	No	No	No	No
8.	Whether the listed entity has any significant beneficial owner?	No	No	No	No

\* All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to listing of shares on SME Platform of BSE. 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 BSE i.e. [www.bseindia.com](http://www.bseindia.com) before commencement of trading of such Equity Shares.

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

**Summary of Shareholding Pattern**

Sr. No.	Category of shareholder	Nos. of share holders	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+C)	Number of Voting Rights held in each class of securities <sup>1</sup>				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 <sup>3</sup>		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form <sup>4</sup>
								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 <sup>2</sup>	Class Y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII		XIII		XIV
(A)	Promoter & Promoter Group	3	56,26,040	-	-	56,26,040	99.40	56,26,040	-	56,26,040	99.40	-	-	-	-	-	56,26,040	
(B)	Public	4	33,960	-	-	33,960	0.60	33,960	-	33,960	0.60	-	-	-	-	-	33,960	
(C)	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	56,60,000	-	-	56,60,000	100.00	56,60,000	-	56,60,000	100.00	-	-	-	-	-	56,60,000	

Note:

<sup>1</sup>As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote

<sup>2</sup>We have only one class of Equity Shares of face value of ₹ 10/- each.

<sup>3</sup>All Pre-IPO Equity Shares of our Company will be locked in as mentioned above prior to listing of shares on SME Platform of BSE Limited.

<sup>4</sup>In terms of regulation 230(1)(d) of SEBI ICDR Regulation 2018, the Equity Shares held by the Promoters are dematerialized.

**9. The shareholding pattern of our Promoters, Promoter Group and Additional Top 10 Shareholders before and after the Issue as at allotment is set forth below:**

Sr. No.	Pre-Issue Shareholding as at the Date of Draft Red Herring Prospectus			Post-Issue Shareholding as at Allotment <sup>(3)</sup>			
	Shareholders	Number of Equity Shares <sup>(2)</sup>	Share holding (in%) <sup>(2)</sup>	At the lower end of the price band (Rs. [●])		At the upper end of the price band (Rs. [●])	
				Number of Equity Shares <sup>(2)</sup>	Share Holding (in %) <sup>(2)</sup>	Number of Equity Shares <sup>(2)</sup>	Share Holding (in %) <sup>(2)</sup>
Promoter and Promoter Group <sup>(1)</sup>							
1.	Devang Champaklal Goradia	50,59,474	89.39%	[●]	[●]	[●]	[●]
	Vaishali Hitesh Mane	5,66,000	10.00%	[●]	[●]	[●]	[●]
	Gaurang Champaklal Goradia	566	0.01%	[●]	[●]	[●]	[●]
Additional Top 10 Shareholders*							
2.	Riddhi Kasliwali	22,640	0.40%	[●]	[●]	[●]	[●]
3.	Mohamed Vasim Jainulali Shaikh	5,660	0.10%	[●]	[●]	[●]	[●]
4.	Parth Arjun Vyas	2,830	0.05%	[●]	[●]	[●]	[●]
5.	Rutu Parth Vyas	2,830	0.05%	[●]	[●]	[●]	[●]
	Total	56.60.000	100.00%	[●]	[●]	[●]	[●]

\* There are only 4 additional shareholders other than Promoters

(1) There are no Promoter Group shareholders

(2) Includes all options that have been exercised until date of prospectus and any transfers of equity shares by existing shareholders after the date of the pre-issue and price band advertisement until date of prospectus.

(3) Based on the Issue price of ₹[●] and subject to finalization of the basis of allotment.

**10. List of our Major Shareholders:**

The list of our major Shareholders and the number of Equity Shares held by them is provided below:

(A) List of shareholders holding 1% or more of the paid-up capital of our Company as on date of this Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of the pre- Issue Equity Share Capital
1.	Devang Champaklal Goradia	50,59,474	89.39%
2.	Vaishali Hitesh Mane	5,66,000	10.00%
<b>Total</b>		<b>56,25,474</b>	<b>99.39%</b>

(B) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of the pre- Issue Equity Share Capital
1.	Devang Champaklal Goradia	50,59,474	89.39%
2.	Vaishali Hitesh Mane	5,66,000	10.00%
<b>Total</b>		<b>56,25,474</b>	<b>99.39%</b>

(C) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on One year prior to the date of the Draft Red Herring Prospectus:



Sr. No.	Name of shareholders	No. of Equity Shares held	% of the pre- Issue Equity Share Capital
1.	Devang Champaklal Goradia	9,000	90.00%
2.	Vaishali Hitesh Mane	1,000	10.00%
<b>Total</b>		<b>10,000</b>	<b>100.00%</b>

(D) List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on Two years prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of shareholders	No. of Equity Shares held	% of the pre- Issue Equity Share Capital
1.	Devang Champaklal Goradia	9,000	90.00%
2.	Vaishali Hitesh Mane	1,000	10.00%
<b>Total</b>		<b>10,000</b>	<b>100.00%</b>

11. Our Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of this Draft Red Herring Prospectus.

12. Other than as disclosed in this chapter, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

As on the date of filing the Draft Red Herring Prospectus, our Company does not have any such plan for altering the capital structure by way of split or consolidation of the denomination of the shares, or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement. Further, our Company may alter its capital structure by way of split / consolidation of the denomination of Equity Shares or issue of equity shares on a preferential basis or issue of bonus or rights or further public issue of equity shares or qualified institutions placement, within a period of six months from the date of opening of the present issue or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required.

### 13. Shareholding of the Promoters of our Company:

As on the date of the Draft Red Herring Prospectus, our Promoters Devang Champaklal Goradia, Vaishali Hitesh Mane and Gaurang Champaklal Goradia hold a total 56,26,040 Equity Shares representing 99.40% of the pre-issued, subscribed and paid-up equity share capital of our Company. The build-up of equity shareholding of Promoters of our Company is as follows:

Date of Allotment/ Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue / Transfer Price (in ₹) per shares	Nature of Consideration	Nature of Issue (Allotment / Transfer)	% of Pre-Issue equity share Capital	% of Post Issue equity share Capital
<b>(A) Devang Champaklal Goradia</b>							
On Incorporation (April 02, 2008)	7,500	10.00	10.00	Cash	Subscription to Memorandum of Association	0.13	[●]
June 24, 2011	(2,500)	10.00	10.00	Cash	Transfer to Gaurang Champaklal Goradia	(0.04)	[●]
July 17, 2018	4,000	10.00	10.00	Cash	Transfer from Gaurang Champaklal Goradia	0.07	[●]
June 26, 2024	(01)	10.00	5,688.00	Cash	Transfer to Gaurang Champaklal Goradia	Negligible	[●]
June 26, 2024	(40)	10.00	5,688.00	Cash	Transfer to Riddhi Kasliwal	Negligible	[●]
June 26, 2024	(10)	10.00	5,688.00	Cash	Transfer to Mohamed Vasim Jainulali Shaikh	Negligible	[●]
June 26, 2024	(05)	10.00	5,688.00	Cash	Transfer to Rutu Parth Vyas	Negligible	[●]

Date of Allotment/ Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue / Transfer Price (in ₹) per shares	Nature of Consideration	Nature of Issue (Allotment / Transfer)	% of Pre- Issue equity share Capital	% of Post Issue equity share Capital
<b>(A) Devang Champaklal Goradia</b>							
June 26, 2024	(05)	10.00	5,688.00	Cash	Transfer to Parth Arjun Vyas	Negligible	[●]
June 28, 2024	50,50,535	10.00	NIL	NA	Bonus Issue	89.23	[●]
<b>Total (A)</b>	<b>50,59,474</b>	<b>10.00</b>				<b>89.39</b>	<b>[●]</b>
<b>(B) Gaurang Champaklal Goradia</b>							
June 24, 2011	2,500	10.00	10.00	Cash	Transfer from Devang Champaklal Goradia	0.04	[●]
June 24, 2011	2,500	10.00	10.00	Cash	Transfer from Akshat Bhatia	0.04	[●]
July 17, 2018	(4,000)	10.00	10.00	Cash	Transfer to Devang Champaklal Goradia	(0.07)	[●]
July 17, 2018	(1,000)	10.00	10.00	Cash	Transfer to Vaishali Hitesh Mane	(0.02)	[●]
June 26, 2024	01	10.00	5688.00	Cash	Transfer from Devang Champaklal Goradia	Negligible	[●]
June 28, 2024	565	10.00	NIL	NA	Bonus Issue	0.01	[●]
<b>Total (B)</b>	<b>566</b>					<b>0.01</b>	<b>[●]</b>
<b>(C) Vaishali Hitesh Mane</b>							
July 17, 2018	1,000	10.00	10.00	Cash	Transfer from Gaurang Champaklal Goradia	0.02	[●]
June 28, 2024	5,65,000	10.00	NIL	NA	Bonus Issue	9.98	[●]
<b>Total (C)</b>	<b>5,66,000</b>					<b>10.00</b>	<b>[●]</b>
<b>Total (A+B+C)</b>	<b>56,26,040</b>					<b>99.40</b>	<b>[●]</b>

The Source of Contribution as certified by the Statutory Auditor M/s R H D B & Co LLP, Chartered Accountants, vide their certificate dated April 26, 2025.

**Notes:**

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoter's shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Red Herring Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- All the shares held by our Promoter, were fully paid-up on the respective dates of acquisition of such shares.

**14.** Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors. One half of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked- in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

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

Sr. No.	Name of Promoters	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹) *#
1.	Devang Champaklal Goradia	50,59,474	NIL
2.	Vaishali Hitesh Mane	5,66,000	0.02
3.	Gaurang Champaklal Goradia	566	10.05

\*The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire Shares by way of allotment.

#Based on Certificate of Statutory Auditors of the Company M/s R H D B & Co LLP, Chartered Accountants, vide their certificate dated April 26, 2025.

**16.** We have 7 (Seven) shareholders as on the date of filing of the Draft Red Herring Prospectus.

17. As on the date of the Draft Red Herring Prospectus, our Promoters and Promoters' Group hold a total of 56,26,040 Equity Shares representing 99.4 % of the pre-issue paid up share capital of our Company.

18. There has been no acquisition, sale or transfer of Equity Shares by our Promoters, Promoter Group, Directors and their immediate relatives in the last 6 months preceding the date of filing of this Draft Red Herring Prospectus.

19. The members of the Promoters' Group, our directors and the relatives of our directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing the Draft Red Herring Prospectus.

**20. Details of Promoters' Contribution locked in for three years:**

Our Promoters, Devang Champaklal Goradia, Gaurang Champaklal Goradia and Vaishali Hitesh Mane have given written consent to include their respective eligible Equity Shares, subscribed and held by them as a part of Minimum Promoters' Contribution aggregating to 20% of the post issue Paid-up Equity Shares Capital of our Company ("Minimum Promoters' Contribution") in terms of Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018 and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Minimum Promoters' Contribution, and to be marked Minimum Promoters' Contribution as locked-in.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of allotment in the Initial Public Offer.

We further confirm that Minimum Promoters Contribution of 20% of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund or Foreign Venture Capital Investor or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies registered with Insurance Regulatory and Development Authority of India.

The Minimum Promoters Contribution has been brought into to the extent of not less than the 20% of the Post Issue Capital and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoters' Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

The details of Minimum Promoters' Contribution are as follows:

Date of Allotment/ Transfer	Date when Fully Paid-up	Nature of Issue/ Allotment / Transfer	Number of Equity shares	Face Value (in ₹) per share	Issue/ Transfer Price (in ₹) per share	% of Pre-Issue Capital	% of post Issue Capital	Date up to which Equity Shares are subject to Lock in
<b>Devang Champaklal Goradia</b>								
On incorporation (April 02, 2008)	April 02, 2008	Subscription to Memorandum of Association	7,500	10	10	0.13	[●]	[●]
June 24, 2011	June 24, 2011	Transfer	(2,500)	10	10	(0.04)	[●]	[●]
July 17, 2018	July 17, 2018	Transfer	4,000	10	10	0.07	[●]	[●]
June 26, 2024	June 26, 2024	Transfer	(01)	10	5,688.00	Negligible	[●]	[●]
June 26, 2024	June 26, 2024	Transfer	(40)	10	5,688.00	Negligible	[●]	[●]
June 26, 2024	June 26, 2024	Transfer	(10)	10	5,688.00	Negligible	[●]	[●]
June 26, 2024	June 26, 2024	Transfer	(05)	10	5,688.00	Negligible	[●]	[●]
June 26, 2024	June 26, 2024	Transfer	(05)	10	5,688.00	Negligible	[●]	[●]
June 28, 2024	June 28, 2024	Bonus Issue	50,50,535	10	NA	89.23	[●]	[●]
		<b>Total</b>	<b>50,59,474</b>			<b>89.39</b>		
<b>Gaurang Champaklal Goradia</b>								
June 24, 2011	June 24, 2011	Transfer	2,500	10	10	0.04	[●]	[●]
June 24, 2011	June 24, 2011	Transfer	2,500	10	10	0.04	[●]	[●]

July 17, 2018	July 17, 2018	Transfer	(4,000)	10	10	(0.07)	[●]	[●]
July 17, 2018	July 17, 2018	Transfer	(1,000)	10	10	(0.02)	[●]	[●]
June 26, 2024	June 26, 2024	Transfer	01	10	5,688.00	Negligible	[●]	[●]
June 28, 2024	June 28, 2024	Bonus Issue	565	10	NA	0.01	[●]	[●]
		<b>Total</b>	<b>566</b>			<b>0.01</b>		
<b>Vaishali Hitesh Mane</b>								
July 17, 2018	July 17, 2018	Transfer	1,000	10	10	0.02	[●]	[●]
June 28, 2024	June 28, 2024	Bonus Issue	5,65,000	10	NA	9.98	[●]	[●]
		<b>Total</b>	<b>5,66,000</b>			<b>10.00</b>		
<b>Total</b>			<b>56,26,040</b>	<b>10</b>	<b>NA</b>	<b>99.40</b>	[●]	[●]

All the Equity Shares held by the Promoters / members of the Promoters' Group are already dematerialized as on date of this Draft Red Herring Prospectus.

In terms of Regulation 237 of the SEBI (ICDR) Regulations, 2018, we confirm that the Minimum Promoters' Contribution of 20% of the Post Issue Capital of our Company as mentioned above does not consist of:

Reg. No	Promoter's 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 which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b><u>Hence Eligible</u></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 issue or from bonus issue against Equity Shares which are ineligible for minimum promoter's contribution.	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237 (1)(b)	Specified securities acquired by the promoter's and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer.	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Not Applicable.</u></b>
237 (1)(c)	Specified securities allotted to the promoter and alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issue formed by conversion of one or more partnership firms or limited liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoter of the issue and there is no change in the management.	The minimum Promoter's contribution does not consist of Equity Shares allotted to alternative investment funds. <b><u>Hence Not Applicable.</u></b>
237 (1)(d)	Specified securities pledged with any creditor.	Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Not Applicable.</u></b>

## 21. Details of Promoters' Contribution Locked-in for One Year and Two Years

In terms of Regulation 238 (b) of the SEBI (ICDR) Regulations, 2018 fifty percent of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of two years from the date of allotment in the initial public offer; and remaining fifty percent of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of one year from the date of allotment in the initial public offer.

## **22. Lock in of Equity Shares held by Persons other than the Promoters:**

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer. Accordingly, 33960 Equity shares held by the Persons other than Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Offer.

## **23. Inscription or recording of non-transferability:**

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository.

## **24. Pledge of Locked in Equity Shares:**

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the Equity Shares held by our Promoters and locked in may be pledged as a collateral security for a loan granted by a scheduled commercial bank or public financial institution or a systemically important non-banking finance company or housing finance company, subject to following:

- In case of Minimum Promoters' Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by the Promoters in excess of Minimum Promoters' contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

## **25. Transferability of Locked in Equity Shares:**

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters' Group or to a new promoter (s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than Promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoters and Promoters' Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

**26.** Our Company, our Directors and the Book Running Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.

**27.** As on date of the Draft Red Herring Prospectus, there are no Partly Paid-up Shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.

**28.** Neither the Book Running Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Red Herring Prospectus.

**29.** Prior to this Initial Public Offer, our Company has not made any public issue or right issue to the public at large.

**30.** There are no safety net arrangements for this public issue.

31. 'As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
  32. As per RBI regulations, OCBs are not allowed to participate in this offer.
  33. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we may consider raising bridge financing facilities, pending receipt of the Net Proceeds.
  34. There are no Equity Shares against which depository receipts have been issued.
  35. As on date of the Draft Red Herring Prospectus, other than the Equity Shares, there is no other class of securities issued by our Company.
  36. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
  37. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
  38. Since present issue is a Book Built Issue, the allocation in the net issue to the public category in terms of Regulation 253(1) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows:
    - a. not less than thirty-five per cent to Individual Investors;
    - b. not less than fifteen per cent to Non-Institutional Investors;
    - c. not more than fifty per cent to Qualified Institutional Buyers, five per cent of which shall be allocated to mutual funds
- Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in any other category.
- Provided further that in addition to five per cent allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.
39. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to locking shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
  40. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under Basis of Allotment in the chapter titled "*Issue Procedure*" beginning on page 277 of this Draft Red herring Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
  41. No incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise shall be offered by any person connected with the distribution of the issue to any person for making an application in the Initial Public Offer, except for fees or commission for services rendered in relation to the issue.
  42. Our Promoters and the members of our Promoters' Group will not participate in this Issue.
  43. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoters' Group between the date of filing the Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
  44. The Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking.

## SECTION V- PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The issue consists of fresh issue of up to 24,00,000 equity shares of our Company at an issue price of ₹ [●] per equity share. We intend to utilize the proceeds of the issue to meet the following objects:

1. Funding capital expenditure to set up plant at Vasai, Palghar for manufacturing of Jewellery tools and Whey Protein;
2. General corporate purposes.
3. Issue related expenses to be borne by the Company

(Collectively referred as the “*Objects*”)

In addition, the Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange and enhancement of our Company’s brand name. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Issue.

### Net Proceeds

The details of the Net Proceeds are set forth below:

Particulars	Estimated Amount (₹ in lakhs) <sup>(1)</sup>
Gross Proceeds from the Fresh Issue <sup>(3)</sup>	[●]
Less: Issue related expenses to be borne by the Company <sup>(2)</sup>	[●]
<b>Net Proceeds from the Fresh Issue (Net Proceeds)</b>	[●]

1. To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC

2. For details, please see “Object of the Issue” on page 80 of this Draft Red herring Prospectus.

3. Subject to full subscription of the Fresh Issue component.

The Net Proceeds are proposed to be utilised in accordance with the details provided in the table below:

Particulars	Amount (₹ in lakhs)
Funding capital expenditure to set up plant at Vasai, Palghar for manufacturing Jewellery tools and Whey Protein .	1,578.43
General corporate purposes <sup>(1) (2)</sup>	[●]
<b>Net proceeds</b>	[●]

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

2. The amount utilized for general corporate purposes shall not exceed 15% of the Gross Proceeds of the Issue, or ₹ 1,000.00 lakhs. whichever is lower

### Schedule of implementation, requirement of funds and utilization of net proceeds

The Net Proceeds are proposed to be utilised and are currently expected to be deployed in accordance with the schedule set forth below:

(₹ in lakhs)				
Particulars	Total estimated cost	Total amount spent on the objects as of May 13, 2025	Amount to be financed from Net Proceeds	Estimated utilization of Net Proceeds in FY 2026
Funding capital expenditure to set up plant at Vasai, Palghar for manufacturing Jewellery tools and Whey Protein.	1,600.00 <sup>(2)</sup>	NIL <sup>(2)</sup>	1,578.43	1,578.43

Particulars	Total estimated cost	Total amount spent on the objects as of May 13, 2025	Amount to be financed from Net Proceeds	Estimated utilization of Net Proceeds in FY 2026
General corporate purposes <sup>(1)</sup>	●	●	●	●
<b>Total</b>	●	●	●	●

1. Amount utilized for general corporate purposes shall not exceed 15% of the gross proceeds of the issue
2. Total estimated cost as per Chartered Engineer report dated May 07, 2025, issued by Bhavin R. Patel.

The fund requirements, deployment of funds, and intended use of the Net Proceeds as described in this Draft Red Herring Prospectus are based on our current business plan, valid quotations obtained from various third-party vendors, management estimates, market conditions, and other external commercial and technical factors. However, these fund requirements and deployment plans have not been appraised by BRLM, any bank, financial institution, or independent agency. For further details, see “*Risk Factors - Risk Factor 18 – We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, business operations and financial condition.*” beginning on page 36 of this Draft Red Herring Prospectus. We may need to revise our funding requirements and deployment due to various factors such as our financial and market conditions, business and growth strategies, ability to identify and implement inorganic growth initiatives (including investments and acquisitions), competitive landscape, general factors affecting our results of operations, financial condition, access to capital, and other external factors such as changes in the business environment, regulatory climate, and interest or exchange rate fluctuations. These factors, which may not be within our management’s control, might necessitate rescheduling the proposed utilization of the Net Proceeds and changing the allocation of funds from its planned allocation, subject to compliance with applicable laws.

Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. To the extent our Company is unable to utilize any portion of the Net Proceeds towards the aforementioned objects, per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial year towards the aforementioned Objects.

Moreover, if the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 15% of the aggregate of the gross proceeds of the Issue or ₹ 1,000.00 lakhs, whichever is lower, in accordance with Regulation 230(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking debt lenders. In furtherance, that such alternate arrangements would be available to fund any such shortfalls.

All quotations mentioned in this section 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 vendor would be engaged to eventually supply the equipment at the same costs. We are yet to place orders for the capital expenditure towards purchase of machinery. Further, for risk arising out of the Objects, see “*Risk Factor- Risk Factor 33 – We intend to utilize a portion of the Net Proceeds for funding our capital expenditure requirements. We are yet to place orders for 100% of the Plant and Machinery, as specified in the Objects of the Issue chapter. Any delay in procurement of such Plant & Machinery may delay the schedule of implementation and may also lead to increase in cost of these Plant & Machinery, further affecting our revenue and profitability*” beginning on page 40 of this Draft Red Herring Prospectus. This includes part financing the cost of establishing the Proposed Project which may be subject to the risk of unanticipated delays in implementation, cost overruns and other risks and uncertainties.

There can be no assurance that we would be able to procure equipment at the estimated costs. If we engage someone other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor’s estimates and actual costs for the services may differ from the current estimates. Some of the quotations mentioned above do not include cost of freight, insurance, goods and services tax (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds allocated towards general corporate purposes or through contingencies, if required. In case of an increase in the estimated costs, such additional costs shall be incurred from our internal accruals.



## Means of finance

Since the entire fund requirement of ₹ [●] lakhs will be met from the Net Proceeds hence, no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C)(1) of Part A of Schedule VI and Regulation 230 (1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

## Details of the Objects of the Issue

### 1. Funding capital expenditure to set up plant at Vasai, Palghar for manufacturing Jewellery tools & Whey Protein.

Our company is engaged in the business of distributor of Jewellery tools, dental equipment's and whey protein. The Company intends to expand the business by starting the in-house manufacturing unit by incurring the capital expenditure. Our Company intends to manufacture the Whey Protein and Jewellery tools with the technological equipment's. The expansion of facilities will result in the company earning good margin than it is currently earning, marketing of its own product, provide a better alternative in the market. Our Company proposes to utilize an amount of upto ₹ 1,578.43 lakhs from the net proceeds towards purchase of the Blending machines and Packaging machines for Whey protein and Metal cutting, Machines for Micro Blending and Packaging machines for Jewellery tools. On the basis of our capital requirements our Board pursuant to its resolution dated April 10, 2025 has approved Funding capital expenditure requirement of our Company.

#### A. Location of the New Facility

The Land and Building for the capacity expansion is situated at Gala No. 103, 1<sup>st</sup> floor, Building No. 6, "Sheetal Industrial park", Vasai-Virar City, Vasai (East), Palghar – 401208. The area of the facility is 3,270 Square feet.

#### B. Ownership of the Land

The Land and Building is taken on lease by the company for a period of 36 months starting from July 15, 2025. The rent for the same will be ₹ 85,000 per month along with one time interest free security deposit of ₹ 5,00,000.

#### C. Capacity and Schedule of Implementation:

The capacity of the new facility is proposed to be an aggregate of 123.12 lakhs Kilograms per annum for Whey protein and 14.77 lakhs pieces of jewellery tools per annum as per the certificate dated May 07, 2025 issued by Bhavin R. Patel, Chartered Engineer and is expected to commence commercial operations from January 16, 2026.

Particulars	Expected completion date	Status/Expected commencement date
Government and License Approval	2-4 Months	Pending
Site Preparation & Infrastructure	3-6 Months	Planned
Machinery Procurement & Installation	4-6 Months	Planned
Trial Runs & Testing	2-3 Months	Planned
Full Commercial Operations	5-6 Months	Planned
Tentative Commissioning	January 2026	Planned

#### D. Government Approvals

We require the approvals stated in the table below at various stages of the Proposed manufacturing unit, as indicated below. Such approvals are granted on commencement or completion of various activities, as applicable. All such approvals shall be procured as and when they are required in accordance with applicable law. The Proposed manufacturing unit will be undertaken in various stages post receipt of these approvals, in compliance with applicable law. Our Company intends to manufacture in the proposed manufacturing unit, accordingly, the approvals and the relevant stage at which such approvals are required are similar in nature. The details of such approvals and the stage of application for the manufacturing facility

have been provided below:

Sr. No.	Permission / Certificate	Applicable / Not Applicable	Comment
1.	Contract Labor	Applicable	If Contract Labour working in the unit, then unit has to obtain contract Labour certificate.
2.	Certificate for Integrated Common Hazardous Waste Management facility	Applicable	Unit has to obtain membership of Common Hazardous waste disposal facility, CHWIF, Pre Processing Facility etc.
3.	Fire NOC	Applicable	Unit has to obtain Fire NOC.
4.	FSSAI Certificate	Applicable	Unit has to obtain certificate Compulsory under the Food Safety and Standards Act, 2006.
5.	Certificate of Stability	Applicable	Unit must obtain a stability certificate.
6.	Diesel generator set certificate	Applicable	Unit must obtain a Diesel generator set certificate based on its capacity.
7.	Maharashtra Shops and Establishment	Applicable	Unit must obtain Maharashtra Shops and Establishment before commencements
8.	Retention of Licence	Applicable	Unit must comply with the process of maintaining a valid license from Central Drugs Standard Control Organisation (CDSCO).
9.	Factory License	Applicable	Unit must obtain permission from Directorate of Industrial Safety and Health before commencement
10.	Food Safety and Standards Authority of India License	Applicable	Unit must obtain license from Food Safety and Standards Authority of India (FSSAI).
11.	UDYAM Registration (MSME)	Applicable	Unit must update UDYAM Certificate for new plant.
12.	Import Export Code (IEC) Certificate	Applicable	Mandatory if the company intends to export or import goods and raw materials.

#### E. Estimated cost of Project

The tentative capital expenditure for the above Project/ Manufacturing facility are as follows:

Sr. No.	Particulars	Cost (In Lakhs)
1	Land, Building Infrastructure and Furniture	60.00
2	Plant & Machinery	1,600.00
3	Installation and operationalization	35.00
4	Raw Material -Working Capital	800.00
5	Manpower and Marketing	110.00
6	Preliminary & Preoperative Expenses	20.00
7	Insurance & Miscellaneous	25.00
8	Contingencies	50.00
<b>Total</b>		<b>2,700.00</b>

#### Detailed breakdown of the cost of the Proposed Plant & Machinery for Whey Protein:

##### Machines for Blending

The quotation of Machines for Blending is taken from a company named Amixon GmbH (Address: Halberstädter Straße 55 | 33106 Paderborn | Germany) on April 22, 2025 with a validity till July 31, 2025 bearing quotation number 122163/02.

Sr. No	Equipment/ items description	Qty	Price in EUR	Price in INR (in Lakhs)
10.000	Amixon Mixer VM 300 with Drive Motor 7,5 kW	1	135740	129.84
110.000	Cutting rotor - standard 5.5 kW	1	5670	5.42
700.000	FAT in Paderborn (1 Day)	1	800	0.77

Sr. No	Equipment/ items description	Qty	Price in EUR	Price in INR (in Lakhs)
740.000	Shipping: FOB (Free on Board) – German North Sea Harbor	1	4500	4.30
800.000	Documentation		1470	1.41
	<b>Subtotal Total 1</b>		<b>€ 1,48,180</b>	<b>141.73</b>
<b>Additional Items</b>				
160.000	Preparation for liquid dosing lance (additional)	1	3310	3.17
205.000	Washing-In-Place (WIP) - Preparation (additional)	1	22140	21.18
10.880	Discharge chute with protective grid (Optional)	1	3670	3.51
20.000	SinConvex® helical mixing blade (Optional)	1	14810	14.17
	<b>Subtotal Total 2</b>		<b>€ 43,930</b>	<b>42.02</b>
	<b>Grand Total with options (FOB)</b>		<b>€ 1,92,110</b>	<b>183.75</b>

1 Euro = ₹ 95.65 as on May 05, 2025.

### Packaging Machines

The quotation of Machines for Blending is taken from a company named F Plus Healthcare Technologies Private Limited (Address: 615, Janki Centre, off. Veera Desai Road, Andheri West, Mumbai-400058, Maharashtra, India) on April 10, 2025 with an expiry of 6 months bearing quotation number FPHT-ARC- LINE -20241112-R01.

Sr. No.	Description	Qty	Unit	Rate (₹ in lakhs)	Amount (₹ in Lakhs)
A)	Vibro Sifter				
1	FPHT VIBROSIFTER-30, 30" DIA - Single Deck with Non-Motor & DOL Starter, PU Castor Wheel, Food Grade Gasket	1	No	5.29	5.29
1.1	Additional Vibro Sifter Sieves	1	No	0.13	0.13
B)	IPC Bin and Lifter				
2	Lifter for IPC - 200 Ltrs for Material Charging into Sachet Filling Machine	1	No	7.50	7.50
3	IPC Bin - 200 Ltrs for Material Charging into Sachet Filling Machine	1	No	3.98	3.98
	<b>Total Equipment Amount</b>				<b>16.89</b>
	Documentation Charges (DQ, IQ, OQ, FAT)				0.25
	Suitable Packing Charges				0.51
	Installation Charges				0.50
	<b>Total Amount (Ex Works Factory, India)</b>				<b>18.15</b>

### Metal cutting

The quotation for Metal Cutting is taken from Flexspeed Technology PTE LTD (Address: 71 Woodlands Ave 10, #05-07/08 Woodlands Industrial Xchange Singapore 737743) on April 12, 2025 with validity of 6 months bearing quotation number MQFS B25/110.2

CNC controlled turning machine with 3 rotating turning tools for the machining of material Diameters up to 4mm Machine equipped with control panel for menu guided programming, toolhead with up to 12000rpm, cooling and lubrication system, material feed system, straightening device and coil reel, fixed counter collet. Machine standard supplied with tool head excluding tools.

Qty	Part No.	Escomatic D3 CNC PM	Price in CHF	Converted to INR
3	D3-E	Tool Head with 3 tools spindle	Incl.	-
3	D3-E-PM	PM Counter collet unit mobile type	Incl.	-
3	D2-R-M1085-1	Hexagonal tool head D3	Incl.	-
6	D2-R-M1413-A	DX Tool holder for DX Tools	Incl.	-

Qty	Part No.	Escomatic D3 CNC PM	Price in CHF	Converted to INR
3	D2-R-M1414-2	DX Tool holder for Insert support	Incl.	-
3	D2-F-M1860	Security device for PM(stops machine when out off tool breaks)	Incl.	-
6	D2-R-M1413-A	DX Tool holder for DX Tools	Incl.	-
3	D2-R-M1414-1	DX Tool holder for NM Tools	Incl.	-
3	D2-R-M1414-2	DX Tool holder for Insert support	Incl.	-
6	D5-J-M1893	Cutting oil pressure switch	Incl.	-
3	D2-J-M2038	Reinforced coolant pump 10 bars 30L/min	Incl.	-
3	D5-J-6120	Preparation for centralized oil mist absorber	Incl.	-
3	D2-N-M1910	Machine Lamp	Incl.	-
3	LCD-M9	Base for Centring device with Indicator	Incl.	-
3	LCD-M17	Adapter block for centering device Dx	Incl.	-
1 Set	Tooling	Tool set for Part No. CB411-008 (cycle time 4.2 parts/min)	Incl.	-
1 Set	Tooling	Tool set for Part No. HB(414)-008 - (Cycle time 3.8 parts per minute)	Incl.	-
1 Lot		Installation at customer site	Incl.	-
1 Lot		Training at customer site for 5 working days	Incl.	-
		<b>Total 3 x machines Price in CHF</b>	<b>6,39,720</b>	<b>654.88 lakhs</b>

Rate 1 CHF is ₹ 102.37.

### **Machines for Micro Blending**

A quotation for metal cutting was obtained from Rollomatic SA (Address: CH-2525 Le Landeron, Suisse) on May 05, 2025, with validity until July 25, 2025. The quotation bears two reference numbers — COF-25-01676 and COF-25-03526 — each for a quantity of 1. The table below presents the combined quantities and total amount from both quotations.

Sr. No	Designation	Unit	Qty	Gross unit Surcharge price	Net unit price	Total CHF
<b>Basic machine</b>						

Sr. No	Designation	Unit	Qty	Gross unit Surcharge price	Net unit price	Total CHF
164800	<p>Bur tool grinding center type GrindSmart® NANO5 "CE" configuration according to norms EN ISO 13849-1, EN ISO 16089, EN ISO 4413 and EN ISO 4414 Equipment included in the standard price of the machine :</p> <ul style="list-style-type: none"> <li>- 1 electrical equipment for 200-480V, 50-60Hz, 3 phases power supply</li> <li>- 1 pneumatic equipment with air filter and air pressure regulator</li> <li>- 1 Fanuc CNC controller type 30i-MB, 7 axis CNC (5 machine axis + 2 robot axis)</li> <li>- 1 operator panel with keyboard and 15" touchscreen monitor</li> <li>- 1 Windows 10 operating system</li> <li>- 1 BurCalc software package including 2D and cross cut tool visualization</li> <li>- 1 X-axis with 146mm stroke resolution 0.00005mm</li> <li>- 1 Y-axis with 99mm stroke resolution 0.00005mm</li> <li>- 1 Z-axis with 146mm stroke resolution 0.00005mm</li> <li>- 1 B-axis with backlash free transmission stroke 200° resolution 0.00005°</li> <li>- 1 C-axis with max. 1'000 rpm, resolution 0.0001°</li> <li>- 1 tool clamping workhead designed to hold Schaublin W12 collets</li> <li>- 1 adjustable bur shank support and clamping system with side pressure finger</li> <li>- 1 direct drive grinding spindle 1.5kW, max. 10'000 1/min. With PerfectArbor grinding wheel arbor holding system</li> <li>- 1 integrated coolant flowmeter</li> <li>- 1 integrated 2 axis CNC robot loader, for blanks ø1.0 - 6.35mm</li> <li>- 1 robot head with 2 pneumatic activated clamping grippers for loading – unloading</li> <li>- 1 base plate for trays type A 500 holes and type B 300 holes. Max. capacity 1'000 pieces</li> <li>- 1 set of machine tooling and belts</li> <li>- 1 complete set of instruction manuals and machine documentation available for download on <a href="http://www.myRollomatic.com">www.myRollomatic.com</a></li> </ul>	Pcs	2	2,85,600.00	2,85,600.00	5,71,200.00
	Machine color: Blue RAL 5002 and white RAL 9010	-	-	-	-	-
	<p>Fanuc options:</p> <p>J655 - Helical Interpolation B J873 - Custom Macro J887 - Macro Common Variables J946 - Part Program Memory 512kB J971 - Run Hour &amp; Parts Count Display</p>	-	-	-	-	-
<b>Software</b>						
156065	<p>Full Software VirtualGrind®Pro suite, including:</p> <ul style="list-style-type: none"> <li>- Endmill package (available for 5 and 6 axis machines) : Standard and specialty endmills including uneven index, uneven and variable helix angles, variable core diameter, left/right cut and helix combinations, roughing endmills.</li> <li>- Drill package (available for 5 and 6 axis machines) : Standard and specialty drills including variable helix, facet and radial tip geometry, corner radius and chamfer, double cylindrical margin, variable core diameter, step drills, profile form on steps, cutting edge chamfer (K-Land).</li> <li>- Form tool package (available for 6 axis machines) :</li> </ul>	Pcs	2	0.00	0.00	0.00

Sr. No	Designation	Unit	Qty	Gross unit Surcharge price	Net unit price	Total CHF
	Straight and helical form tool with dxf profile import, form in flute and gash operations, rake control, profile verification (option Simulation 3D necessary), cam relief, boring bars. - Threading tools module package (available for 5 and 6 axis machines) : Thread and whirling milling cutters with straight and cam relief, fluted and forming taps. - Profile inserts (available for 6 axis machines) : Including dxf profile import, plunge, rake and periphery grinding. - Rotary burs (available for 5 and 6 axis machines) : Including template file for most common bur shapes and aluminum-cut bur types, with flexible feed rate control. - Blank preparation module (available for 5 and 6 axis machines) : Cylindrical/tapered plunge grinding, peel grinding, neck plunging, Weldon flats, eccentric grinding. - 3D machine animation including collision check (available for 5 and 6 axis machines) : - Combine tool option (multi set) - Probing modules - JobManager - Wizard (template file examples) - Rollomatic ISO Easy module database - ISO Easy editor for custom programming and ISO easy module editing - Integrated wheel teaching option - Integrated wheel dressing routine - Integrated wheel stick routine - Free access to downloading of future release on <a href="http://www.myRollomatic.com">www.myRollomatic.com</a>					
<b>Machine options</b>						
61145-PV	Option Renishaw probe and holder with probe head LP2, standard probe stylus and holder	Pcs	2	5,192.00	5,192.00	10,384.00
122181	Complete station to mount V shank guide V guide center and length position adjustable with integrated air piston to activate the pressure finger	Pcs	2	4,007.00	4,007.00	8,014.00
<b>Accessories</b>						
164500	SMART 3D SIMULATOR 3D simulation license 7.0 for VirtualGrind®Pro programming software - Simulation time up to 3x faster than version 6.0 - The license is floating and sold as a USB key, allowing use on several different workstations. - Allows calculation of the center of mass to help balancing the tool. - Improved final simulation rendering. - Requires minimum VirtualGrind®Pro version 1.29 VirtualGrind®Pro is downloadable on our MyRollomatic portal.	Pcs	2	3,000.00	3,000.00	6,000.00
104221 C12EX-2.35	Collet W12 "UP" extended nose / ø2.35mm	Pcs	2	313.00	313.00	626.00
114178 C12EX-3.00	Collet W12 "UP" extended nose / ø3.00mm	Pcs	2	332.00	332.00	664.00
121346 C12EX-1/8	Collet W12 "UP" extended nose / ø3.175mm (1/8")	Pcs	2	313.00	313.00	626.00

Sr. No	Designation	Unit	Qty	Gross unit Surcharge price	Net unit price	Total CHF
121754 C12EX- 6.00	Collet W12 "UP" extended nose / ø6.00mm	Pcs	2	313.00	313.00	626.00
61075	Pressure finger "burs" HM / ø4x40mm / NANO5	Pcs	2	125.00	125.00	250.00
124911	L steady rest HM 5mm dove tail / segment 90° / left ø0.80 - ø1.40 / 21.5x10x10mm	Pcs	2	246.00	246.00	492.00
123538	L steady rest HM 5mm dove tail / segment 90° / left ø1.50 - ø1.60 / 21.5x10x10mm	Pcs	2	225.00	225.00	450.00
123539	L steady rest HM 5mm dove tail / segment 90° / left ø2.00 - ø2.35 / 21.5x10x10mm	Pcs	2	225.00	225.00	450.00
123540	L steady rest HM 5mm dove tail / segment 90° / left ø3.00 - ø3.175 / 21.5x10x10mm	Pcs	2	246.00	246.00	492.00
123541	L steady rest HM 5mm dove tail / segment 90° / left ø6.00 - ø6.35 / 21.5x10x10mm	Pcs	2	246.00	246.00	492.00
121517 2685- 1/16	Tray type A 500 holes / ø1.60mm (1/16") useful height 5mm	Pcs	4	330.00	330.00	1,320.00
111589	Tray type A 500 holes / ø2.35mm (3/32") useful height 8mm	Pcs	4	330.00	330.00	1,320.00
102469 407- 3.00	Tray type B 300 holes / ø3.00mm useful height 17mm	Pcs	4	443.00	443.00	1,772.00
105242 407.3.20	Tray type B 300 holes / ø3.20mm (1/8") useful height 17mm	Pcs	4	443.00	443.00	1,772.00
102509 407- 6.00	Tray type B 300 holes / ø6.00mm useful height 17mm	Pcs	4	443.00	443.00	1,772.00
61130	Grinding wheel arbor "PerfectArbor" ø25mm 1 shaft ø20x71.5mm	Pcs	8	438.00	438.00	3,504.00
<b>Training</b>						
150992	5 days installation and training with a Rollomatic India engineer at customer's factory. Flat rate includes all travel time, travel costs and accommodation.	H	4.00	2,500.00	2,500.00	10,000.00
<b>Packing</b>						
155101	Wooden packaging for sea- or airfreight shipment (wooden pallet + wooden crate) Dim.: 235x178x232cm The wooden components are in accordance with the "IPPC" norm instituted by the Commission on Phytosanitary Measures (CPM).	Pcs	2	2,297.00	2,297.00	4,594.00
	<b>Total CHF</b>					<b>6,26,820.00</b>

Rate 1 CHF is ₹ 102.37.

Total Amount in INR is ₹ 641.68 lakhs.

### **Machines for Packaging**

The quotation of Machines for Packaging is taken from a company named Jicon Technologies Private Limited (Address: 502, G Square, Next to BMC Office, Jawahar road, Opp. Railway station, Ghatkopar east, Mumbai-400077, Maharashtra, India).

Sr. no.	Date of quotation	Description & quotation reference number	Unit / quantity	Amount per unit / quantity (₹ in lakhs)	Total amount (₹ in lakhs)	Validity
1.	May 07, 2025	Flat Plate Automatic Blister Packing Machine: <b>ALBLIS – I</b> ; Ref: JT/QUO/200725	1.00	11.00	11.00	1 Year
2.	May 07, 2025	Flat Plate Automatic Blister Packing Machine: <b>ALBLIS – II</b> ; Ref: JT/QUO/200724	1.00	19.00	19.00	1 Year
3.	May 07,	Horizontal Cartoning Machine for	1.00	31.00	31.00	1 Year

Sr. no.	Date of quotation	Description & quotation reference number	Unit / quantity	Amount per unit / quantity (₹ in lakhs)	Total amount (₹ in lakhs)	Validity
	2025	blister Model : JCT-100BL; Ref: JT/KL/QUO/210809				
4.	May 07, 2025	Blistpop – De Blistering Machine; Ref: JT/QUO/200723	1.00	0.80	0.80	1 Year
5.	May 07, 2025	Automatic Blister Packing Machine – Blistrip II ; Ref: JT/QUO/200726	1.00	9.50	9.50	1 Year
6.	May 07, 2025	Automatic Blister Packing Machine - BLISTRIP–Ixt; Ref: JT/QUO/200727	1.00	7.50	7.50	1 Year
7.	May 07, 2025	Leak Test Apparatus; Ref: JT/QUO/20078	1.00	1.17	1.17	1 Year
<b>Total Amount</b>					<b>79.97</b>	

**Notes:**

- The actual cost of procurement and actual supplier/dealer may vary.
- We have considered the above quotations for the budgetary estimate purpose and have not placed orders for them. The above costs is excluding taxes such as GST, TCS, Import duty etc.
- We are not acquiring any second-hand machinery.
- 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 vendor or any modification/addition/deletion of machineries or equipment's) 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. Furthermore, if any surplus / deficit of the proceeds for meeting the total cost of machineries shall be used / adjusted in General Corporate Purposes, subject to limit of 25% of the amount raised by our Company through this Issue.
- The order for 100% of equipment's having basic value of ₹ 1,578.43 lakhs are yet to be placed. Placing the order will require the company to pay the taxes related to the order, certain advance payment and commitment for balance payment.
- The quotations relied upon by us in arriving at the above cost are valid for a specific period 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 estimated cost. Any extra cost above the cost mentioned would be met out of our internal accruals.

We have not entered into any definitive agreements with the suppliers and there can be no assurance that the same suppliers would be engaged to eventually supply the machinery and material at the same costs. The quantity of the machinery and material to be purchased is based on the estimates of our management. Our Company shall have the flexibility to deploy the machinery according to the business requirements which are dynamic, which may evolve with the passage of time and based on the estimates of our management.

Above quotations are short duration quotation and are used only for the purpose of price estimation. The above prices are subject to change without any notice and final applicable prices will be as per prevailing prices at the time of invoicing of machinery. Our Management does not have any intention of purchasing the above-mentioned proposed machinery as second-hand machinery.

Our Promoters, Directors, Key Management Personnel or Group Entities have no interest in the proposed procurements, as stated above. If the Net Proceeds are insufficient to the extent required for purchase of plant and machinery and/or any other material required for setting up the manufacturing unit, such excessive amount shall be met from our internal accruals and/ or from borrowing from banks/ financial institutions.



## 2. General Corporate Purposes

Our Company proposes to deploy the balance proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 15% of the gross proceeds or ₹ 1,000 lakhs whichever is lower, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise net proceeds include, business development initiatives, meeting any expense including salaries, rent, administration costs, insurance premiums, repairs and maintenance, payment of taxes and duties, and similar other expenses incurred in the ordinary course of our business or towards any exigencies. The quantum of utilisation of funds towards each of the above purposes will be determined by our board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

In addition to the above, our Company may utilise the net proceeds towards other purposes considered expedient and as approved periodically by our board, subject to compliance with necessary provisions of the Companies Act. Our Company's management shall have flexibility in utilising surplus amounts, if any. Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of net proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of net proceeds in a financial year, we will utilize such unutilized amount in the subsequent financial years.

### Issue Related Expenses

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

Particulars	Estimated expenses (Rs. in Lakhs)	As a % of total estimated Issue related expenses	As a % of the total Issue Size
Book Running Lead Manger fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others, if any (Fees payable for Marketing & distribution expenses, Selling Commission, Brokerage, depositories, secretarial, advisors, consultancy, peer review auditors, Processing Fees, Underwriting fees and Miscellaneous Expenses)	[●]	[●]	[●]
Total Estimated Issue Expenses	[●]	[●]	[●]

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

Notes:

1) 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*	0.10 % of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders*	0.10 % of the Amount Allotted* (plus applicable taxes)
Portion for Eligible Employees	0.10 % 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*

- 2) 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	Rs. 10 per valid Bid cum Application Form (plus applicable taxes)
Portion for Non-Institutional Bidders	Rs. 10 per valid Bid cum Application Form (plus applicable taxes)
Portion for Eligible Employees	Rs. 10 per valid Bid cum Application Form (plus applicable taxes)

Notwithstanding anything contained above the total processing fee payable under this clause will not exceed Rs. 1 lakh (plus applicable taxes) and in case if the total processing fees exceeds Rs. 1 lakh (plus applicable taxes) then processing fees will be paid on pro-rata basis.

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

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.
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\*For each valid application by respective Sponsor Bank

No uploading/ processing fees shall be payable by our Company to the 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.

- 4) 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 UPI or 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	0.10 % of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Bidders	0.10 % of the Amount Allotted* (plus applicable taxes)
Portion for Eligible Employees	0.10 % of the Amount Allotted* (plus applicable taxes)

- 5) The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No.: SEBI/HO/CFD/DIL2/CIR/P/2022/51 April 20, 2022.

## Interim use of Net Proceeds

The Net Proceeds pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

## Bridge Financing Facilities

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

## Monitoring Utilization of Funds

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

have been utilized in full.

#### **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**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, our Directors, our Key Management Personnel or our Group Company. Except in the normal course of business and in compliance with applicable law, there are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, Promoter Group, our Directors, our Key Management Personnel or our Group Company.

Further, pursuant to the issue, the Net Proceeds received by our Company shall only be utilised for objects identified by our Company and for general corporate purposes and none of our Promoters, Promoter Group, Group Companies of our Company, as applicable, shall receive a part of or whole Net Proceeds directly or indirectly.

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## BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of an assessment of market demand for the Equity Shares issued through the book building process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares of our Company is ₹10/- each and the Issue Price is [●] times of the face value.

Investors should read the following basis with the section titled “*Risk Factors*” and chapters titled “*Restated Financial Information*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” and “*Our Business*” beginning on page 26, 192, 225 and 142 respectively, of this Draft Red Herring Prospectus to get a more informed view before making any investment decisions. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

### Qualitative Factors

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

1. High Quality Products from European and American Suppliers Scalable Business Model
2. Long Standing Association with Suppliers
3. *Extensive Distribution Network*
4. Diverse Product Portfolio
5. Market Knowledge and Industry Expertise

For further details, see “*Our Business*” on page 142 of this Draft Red Herring Prospectus.

### Quantitative Factors

Information presented below is derived from our Company’s Restated Financial Statements prepared in accordance with Indian GAAP. For details, see “*Financial Information*” on page 192 of this Draft Red Herring Prospectus. Investors should evaluate our Company and form their decisions taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors, which form the basis for computing the price, are as follows:

#### 1. Basic & Diluted Earnings Per Share (EPS):

Period	Basic and Diluted EPS (In ₹)	Weights
For the year ended 2022	(2.59)	1
For the year ended 2023	2.09	2
For the year ended 2024	15.82	3
<b>Weighted Average</b>	<b>8.18</b>	-
For the period ended December 31, 2024*	7.74	-

\*Not Annualized

Source: Restated Financial Statements

The Company has issued 56,50,000 Equity Shares as Bonus allotment on 28<sup>th</sup> June, 2024. We have adjusted Bonus Issue for calculation of EPS.

#### Notes:

1. Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. sum of (EPS x Weight) for each year / Total of weights.
2. Basic and diluted EPS are based on the Restated Financial Statements.
3. The face value of each Equity Share is ₹10/-.
4. Earnings per Share (₹) = Profit after tax excluding exceptional items before other comprehensive income attributable to equity shareholders for the year/period divided by the weighted average no. of equity shares during the respective year/period.

## 2. Price/Earning (P/E) ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (number of times)*	P/E at the Cap Price (number of times)*
P/E ratio based on Basic EPS for Financial Year 2024	[●]	[●]
P/E ratio based on Diluted EPS for Financial Year 2024	[●]	[●]

\*To be updated at Prospectus stage.

Note: Price / earning (P/E) ratio is computed by dividing the price per share by earnings per share

## Industry Peer Group P/E ratio

Particulars	Industry P/E (Number of times)
<b>Industry</b>	
<b>Highest</b>	NA
<b>Lowest</b>	NA
<b>Average</b>	NA

Industry Peer Group P/E Ratio is not available as our peer group company is not listed on NSE/BSE/any stock exchange.

## 3. Return on Net Worth (RoNW):

Period	Return on Net Worth (%)	Weights
For the year ended 2022	(159.40)	1
For the year ended 2023	56.25	2
For the year ended 2024	81.00	3
<b>Weighted Average</b>	<b>32.68</b>	
December 31, 2024*	28.39	

\*Not Annualised

Source: Restated Financial Statements

Notes:

a. Return on Net Worth (%) = Restated Profit/(loss) attributable to owners of the holding company/ net worth at the end of the year/ period.

b. Net-worth, as restated at the end of the relevant period (Equity attributable to the owners of the Company, excluding non-controlling interest).

c. Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. sum of (RoNW x Weight) for each year / Total of weights.

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

Particulars	NAV (in ₹)
As on March 31, 2024	19.53
As on December 31, 2024	27.27
After completion of the Issue	
(i) At Floor Price	[●]
(ii) At Cap Price	[●]
Issue Price per equity share	[●]

Notes:

Net Asset Value per Equity Share is calculated as total shareholder's fund less preference share capital divided by weighted average number of equity shares outstanding during the respective year/period.

The Company has issued 56,50,000 Equity Shares as Bonus allotment on June 28, 2024. We have considered Bonus Issue for calculation of NAV per Equity Share.

## 5. Peer Competitors - Comparison of Accounting Ratios:

There are no listed companies in India whose business portfolio is comparable with that of our business and comparable to our scale of operations. Hence, it is not possible to provide an industry comparison in relation to our Company.

## 6. Key Operational and Financial Performance Indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

The KPIs of our Company have been disclosed in the sections titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 142 and 225 respectively. We have described and defined the KPIs as applicable in “*Definitions and Abbreviations*” on page 1.

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations (₹ Lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to track the total revenue generated by the business including other income.
EBITDA (₹ Lakhs)	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.
Profit after Tax (₹ Lakhs)	Profit after tax provides information regarding the overall profitability of the business/company.
Net profit ratio	Net profit ratio is an indicator of the overall profitability and financial performance of our business/company i.e. profit after tax as a % of Total Revenue from operations.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders’ funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company’s financial leverage.
Return on Capital employed (RoCE) (%)	It is calculated as profit before tax plus finance costs divided by sum of total equity, non-current borrowings and current borrowings as at the year end.
Current Ratio	It assesses company’s ability to pay off its short term liabilities (due within a year) using its current assets (assets convertible to cash within a year).
Net Capital Turnover Ratio	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated April 26, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to the 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 DRHP. Further, the KPIs herein have been certified by M/s. R H D B & Co LLP, Chartered Accountants, by their certificate dated April 26, 2025.

(₹ in Lakh, except percentages)

Particulars	For the Period ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
<b>Revenue from Operations</b> (₹ in Lakh) <sup>(1)</sup>	2,415.91	3,154.24	3,304.49	2,524.96
<b>Total Income</b> (₹ in Lakh)	2,912.30	3929.04	3492.38	2737.52
<b>EBITDA</b> (₹ in Lakh) <sup>(2)</sup>	441.02	290.10	68.86	139.53
<b>EBITDA Margin</b> (%) <sup>(3)</sup>	18.25	9.20	2.08	5.53

<b>Profit After Tax (₹ in Lakh) <sup>(4)</sup></b>	438.31	895.33	118.11	(146.42)
<b>Net profit ratio (%) <sup>(5)</sup></b>	18.14	28.38	3.57	(5.80)
<b>RoE (%) <sup>(6)</sup></b>	33.09	136.14	78.26	(86.79)
<b>Debt To Equity Ratio <sup>(7)</sup></b>	-	-	-	0.01
<b>RoCE (%) <sup>(8)</sup></b>	40.37	93.44	84.00	(125.82)
<b>Current Ratio <sup>(9)</sup></b>	1.84	1.53	1.07	1.03
<b>Net Capital Turnover Ratio <sup>(10)</sup></b>	1.94	5.32	33.58	(21.69)

As certified by M/s R H D B & Co LLP, Chartered Accountants pursuant to their certificate dated April 26, 2024. The Audit committee in its resolution dated April 26, 2025 has confirmed that the Company has not disclosed any KPIs to any investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus other than as disclosed in this section.

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- 2) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations, diminution in value of investments, loss from speculation and derivative trading and exceptional items. EBITDA excludes other income but includes foreign exchange gain and Balances written back.
- 3) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- 4) Profit After Tax provides information regarding the overall profitability of the business/company.
- 5) Net Profit Ratio quantifies our efficiency in generating profits from revenue from operations and is calculated by dividing net profit after taxes but before other comprehensive income by revenue from operations.
- 6) Return on equity (RoE) is equal to Net profit after taxes divided by average shareholder's equity excluding preference share capital.
- 7) Debt to equity ratio is calculated by dividing Total debt by Shareholder's Equity (excluding preference share capital) and where total debt refers to sum of current & non-current borrowings including preference share capital.
- 8) RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by sum of total equity, non-current borrowings and current borrowings as at the year end.
- 9) Current Ratio is a liquidity ratio that measures our ability to pay off its short-term obligations (those which are due within one year) using its current assets (those which are convertible to cash within one year) and is calculated by dividing the current assets by current liabilities.
- 10) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our average working capital (i.e., current assets less current liabilities).

See “Management’s Discussion and Analysis of Financial Position and Results of Operations” on page 225 for the reconciliation and the manner of calculation of our key financial performance indicators.

## 7. Weighted average cost of acquisition

### A) Primary Transactions:

There have been no primary/new issue of shares, excluding issuance of bonus shares, during the 18 months preceding the date of filing of the DRHP/RHP, where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre-issue capital before such transaction/s), in a single transaction or multiple transactions combined together over a span of rolling 30 days;

### B) Secondary Transactions:

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-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days. (“Secondary Transactions”).

### C) Last Five Secondary Transaction:

Since there are no such transactions to report to under (a) & (b), therefore information based on last five secondary transactions (secondary transactions where our Promoters / members of our Promoter Group or Shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), during the three years prior to the date of this Draft Red Herring Prospectus irrespective of the size of transactions.

Date of Transfer	Name of Transferor	Name of Transferee	No. of Securities	Nature of Securities	Face value of Securities	Price of securities (₹)	Nature of transaction	Nature of consideration	Total Consideration
26/06/2024	Devang Champaklal Goradia	Gaurang Champaklal Goradia	1.00	Equity Shares	10.00	5688.00	Transfer	Cash	5688.00
26/06/2024	Devang Champaklal Goradia	Riddhi Kasliwal	40.00	Equity Shares	10.00	5688.00	Transfer	Cash	2,27,520.00
26/06/2024	Devang Champaklal Goradia	Wasim Zainulali Shaikh	10.00	Equity Shares	10.00	5688.00	Transfer	Cash	56,880.00
26/06/2024	Devang Champaklal Goradia	Parth Arjun Vyas	5.00	Equity Shares	10.00	5688.00	Transfer	Cash	28,440.00
26/06/2024	Devang Champaklal Goradia	Rutu Parth Vyas	5.00	Equity Shares	10.00	5688.00	Transfer	Cash	28,440.00
Total			61.00						3,46,968.00
<b>Weighted Average Cost of Acquisition per share</b>									<b>5,688.00</b>

#### Weighted average cost of acquisition, Floor Price and Cap Price:

Based on the disclosures in (a), (b) and (c) above, the weighted average cost of acquisition of Equity Shares as compared with the Floor Price and Cap Price is set forth below:

Past Transactions	Weighted average cost of acquisition	Floor Price	Cap Price
	(₹)	₹ [●]	₹ [●]
(a) Weighted average cost of acquisition (WACA) of Primary Issuances	NA	[●]	[●]
(b) Weighted average cost of acquisition (WACA) of Secondary Transactions	NA	[●]	[●]
(c) Weighted average cost of acquisition (WACA) of last 5 Primary Transactions*	NA	[●]	[●]
(d) Weighted average cost of acquisition (WACA) of last 5 Secondary Transactions	5688.00	[●]	[●]

\*Since there are no primary transactions in last 3 years except bonus.

#### 8. Justification for Basis of Issue Price

Explanation for Issue Price/Cap Price being [●] times of weighted average cost of acquisition of primary issuance price/secondary transaction price of Equity Shares along with our Company's KPIs and financial ratios for the year ended on March 31, 2024, March 31, 2023, and March 31, 2022.

[●]\*

\*To be included upon finalization of Price Band



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

The issue Price of ₹ [●] has been determined by our Company in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Management Discussion and Analysis of Financial Position and Results of Operations*” and “*Financial Information*” on pages 26, 142 and 192, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

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## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,  
The Board of Directors  
ARC Distributors (I) Limited  
ARC House, Plot No. 08,  
Sec. 08, RSC-7, Off Turzon Road,  
Charkop, Mumbai, Kandivali West,  
Maharashtra, India, 400067

Sub: Proposed initial public offering of equity shares of ₹ 10 each (the “Equity Shares”) of ARC Distributors (I) Limited  
(the “Company” and such offering, the “Issue”)

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We report that the enclosed statement in Annexure A, states the possible special tax benefits available to the Company and to its shareholders under the applicable tax laws presently in force in India including the Income Act, 1961 (‘Act’), as amended by the Finance Act, 2024 i.e. applicable for FY 2024-25 and AY 2025-26, and other tax laws 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 statute. Hence, the Company or its shareholders, to derive the stated special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed annexure are not exhaustive. 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 Issue. We are neither suggesting nor advising the investor to invest money based on this statement.

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

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

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.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company.

We hereby give consent to include this statement of possible special tax benefits in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and submission of this certificate as may be necessary, to the Stock Exchange/ SEBI/ any regulatory authority and/or for the records to be maintained by the Book Running Lead Manager in connection with the Issue and in accordance with applicable law.

Terms capitalized and not defined herein shall have the same meaning as ascribed to them in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus.

Yours sincerely,  
Yours sincerely,

**For R H D B & Co LLP**

Chartered Accountants

Firm Registration No.: 132490W/W-100125

Sd/-

**Viral Shah**

**Partner**

Membership No: 189204

**Place:** Mumbai

**Date:** 24-04-2025

**UDIN:** 25189204BMJEXP2244

## ANNEXURE-A

### **ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS ("TAX LAWS") IN INDIA**

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961 (read with the rules, circulars and notifications issued in connection thereto), as amended by the Finance Act, 2024 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 the 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.

Except as mentioned herein, there are no possible special tax benefits available to the company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, 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 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules

#### **A. DIRECT TAXATION**

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

###### **i. Lower Corporate Tax rate under Section 115BAA**

As per provisions of Section 115BAA of the Income-tax Act, 1961, domestic companies are granted an option to compute income tax at a concessional rate of 25.17% (22% plus a surcharge of 10% and cess of 4%), subject to compliance with the conditions as prescribed Section 115BAA.

Furthermore, in accordance with Section 115JB(5A), a domestic company that opts for taxation under Section 115BAA shall not be liable to pay Minimum Alternate Tax ("MAT") under Section 115JB. Consequently, as per the provisions of Section 115JAA(8), such companies shall not be entitled to claim MAT credit.

The Company has exercised the aforementioned option with effect from the Assessment Year 2020-21.

###### **ii. Deductions from Gross Total Income**

As per provisions of Section 80JJAA of the Income-tax Act, 1961, and subject to the fulfillment of the prescribed conditions as provided in Section 80JJAA, the Company is eligible to claim a deduction equivalent to thirty percent of the additional employee cost incurred in the course of business during the relevant previous year. Such deduction is available in respect of specified categories of employees and is allowable for three assessment years, including the assessment year relevant to the previous year in which such employment is provided.

##### **2. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY**

The Shareholders of the Company are not eligible to any special tax benefits under the Income Tax Act, 1961 and Income Tax Rules, 1962.

#### **B. INDIRECT TAXATION**

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

The Company is not eligible for any special tax benefits under the Central Goods and Services Tax Act, 2017, as amended; Integrated Goods and Services Tax Act, 2017, as amended; State Goods and Services Tax Act, 2017, as amended; each as amended and read with respective rules, circulars and notifications made thereunder.

## 2. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY

The Shareholders of the Company are not eligible for any special tax benefits under the Central Goods and Services Tax Act, 2017, as amended; Integrated Goods and Services Tax Act, 2017, as amended; State Goods and Services Tax Act, 2017, as amended, each as amended and read with respective rules, circulars and notifications made thereunder.

Notes:

- 1. We have not considered the general tax benefits available to the Company, or shareholders of the Company.*
- 2. The above is as per the mentioned Tax Laws as on date.*
- 3. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.*
- 4. This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in the country other than India are urged to consult their own professional advisers regarding possible income –tax consequences that apply to them.*

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## SECTION VI – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

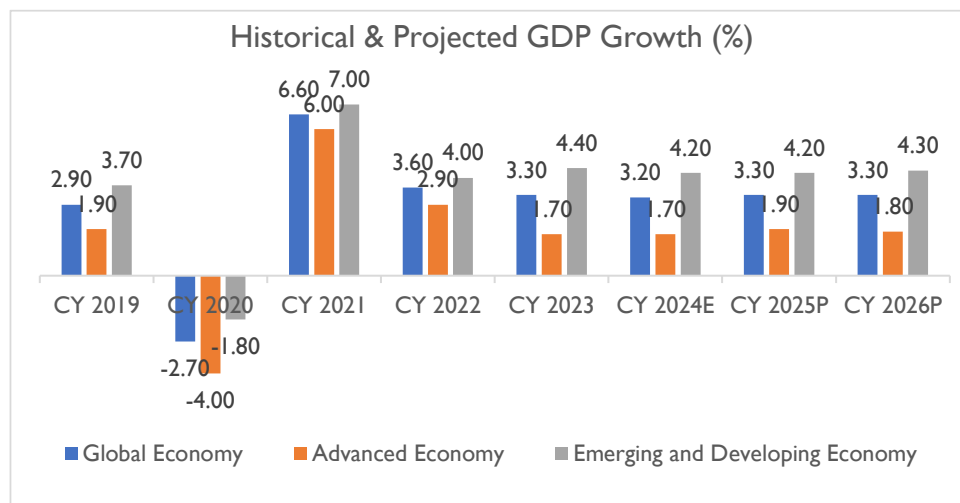
Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled “Industry Report Industry Report: jewellery Tools, Dental Tools, and Nutraceutical Industry” dated April 17, 2025 (the “D&B Report”) prepared and issued by Dun & Bradstreet Information Services India Private Limited, appointed by our Company on March 12, 2025 and exclusively commissioned and paid for by us in connection with this Issue.

The data included herein includes excerpts from the D&B and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular calendar year/Fiscal refers to such information for the relevant calendar year/ Fiscal. 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 of the D&B 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. For more information, see “Risk Factors.” on page 26 of this Draft Red Herring Prospectus. Also see, “Certain Conventions, Use of Financial Information and Market Data and Currency Presentation” on page 16 of this Draft Red Herring Prospectus.

#### Global Macroeconomic Scenario

The global economy, which grew by 3.30% in CY 2023, is expected to record a sluggish growth of 3.20% in 2024 before rising modestly to 3.30% in 2025. The year 2024 continued to remain a challenging year marked by uncertainties and transformative shifts. Numerous factors such as high inflation in many economies despite central bank effort to curb inflation, continuing energy market volatility driven by geopolitical tensions particularly in Ukraine and Middle East, and the re-election of Donald Trump as US President extended uncertainty around the trade policies as well as overall global economic growth. High inflation and rising borrowing costs affected the private consumption on one hand while fiscal consolidation impacted the government consumption on the other hand. As a result, global GDP growth is estimated to grow by 3.20% in CY 2024 as compared to 3.30% in CY 2023.



Source – IMF Global GDP Forecast Release January 2025

*Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It*

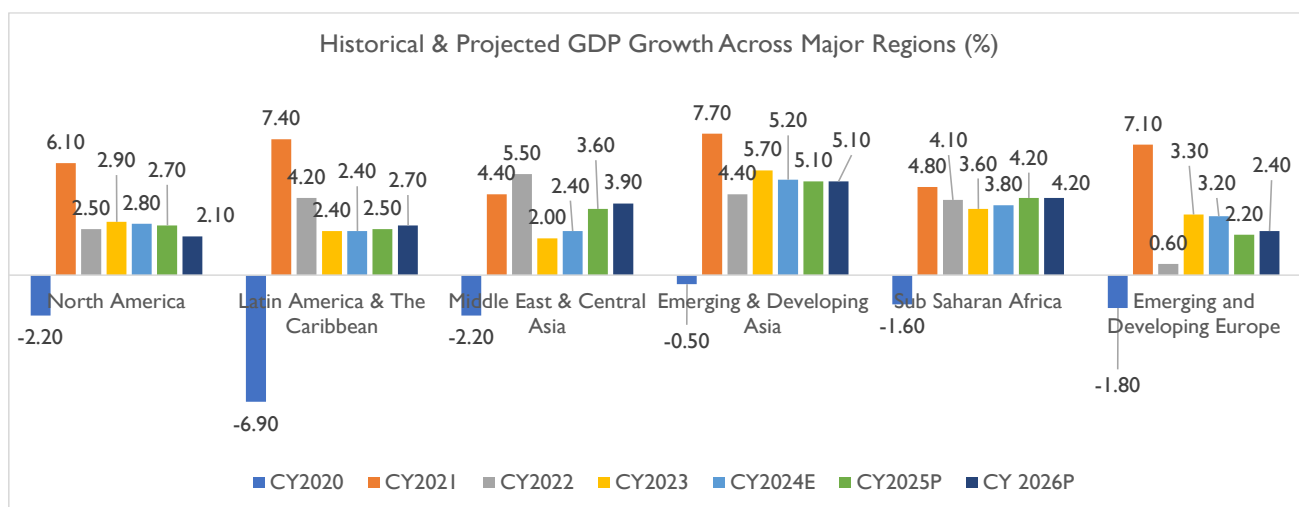
comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)

## Global Economic Outlook

At broader level, the overall world GDP growth is expected to grow modestly by 3.30% in 2025 and 2026 up from 3.20% in 2024. The real GDP in advanced economies is projected to grow 1.90% in 2025, up from 1.70% in 2024 while the GDP growth in emerging economies is expected to continue growing at 4.20% as in 2024. Global inflation is expected to decline steadily, to 4.20% in 2025 and to 3.50% in 2026 still somewhat higher than the 3.10% pace in 2019. In advanced economies, where inflation surged to multidecade highs following the pandemic, price pressures are expected to moderate but remain uneven. Wage cost pressures, potential tariffs and limited innovation undermining global competitiveness in some sectors are likely to persist across European economies and the UK. In the US, we expect the moderating trend in inflation will remain in place through early 2025, though it could then change as deregulation, potential immigration restrictions and tariffs lead to a renewed inflation impulse. In contrast to President-elect Trump's first term, these inflationary pressures would come in a new paradigm defined by fragile supply conditions, elevated geopolitical tensions and structural upside risks to inflation. Geopolitical tensions such as the wars in Ukraine and the Middle East could further exacerbate inflation volatility, particularly in energy and agricultural commodities.

## Historical and Projected Regional GDP Growth

GDP growth across major regions exhibited a mixed trend between 2022-23, with GDP growth in many regions including North America, Emerging and Developing Asia, and Emerging and Developing Europe slowing further in 2024. In 2025, GDP growth in Emerging and Developing Asia (India, China, Indonesia, Malaysia, etc.) is expected to decrease further from 5.20% in CY 2024 to 5.10%, while in the North America, it is expected to decrease from 2.8% in CY 2024 to 2.70% in CY 2025.



Except for Emerging and Developing Asia, Emerging and Developing Europe and North America, all other regions are expected to record an increase in GDP growth rate in CY 2025 as compared to CY 2024. Further, growth in the United States is expected to come down at 2.71% in CY 2025 from 2.80% in CY 2024 due to lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing aggregate demand. India and China saw greater-than-anticipated growth in 2023 due to heightened government spending and robust domestic demand, respectively and expected to slow down due gradually in 2024 and in subsequent two years. Mainland China will face a different macroeconomic challenge: the risk of deflation due to subdued consumer spending trends, cautious business investment and ongoing deleveraging in the property sector. This has prompted authorities to announce stimulus measures to prevent exacerbating deflationary pressures. Indeed, deflation could slow the economic recovery by delaying consumer purchases, eroding corporate revenues and worsening real debt burdens, particularly if property sector weakness and slowing exports continue

to weigh on private sector confidence. Emerging markets will grapple with the challenge of curbing inflation while contending with fragile supply chains, volatile commodity prices and foreign exchange fluctuations. Sub-Saharan Africa's expected growth in 2024 is attributed to the diminishing negative impacts of previous weather shocks and gradual improvements in supply issues.

### India Macroeconomic Analysis

India emerged as one of the fastest growth economies amongst the leading advanced economies and emerging economies. India's economy showed resilience with GDP growing at 8.20% in CY 2023. The GDP growth in CY 2023 represents a return to pre pandemic era growth path. In CY 2024, even amidst geopolitical uncertainties, particularly those affecting global energy and commodity markets, India continues to remain one of the fastest growing economies in the world and is estimated to register a GDP growth of 6.60%.

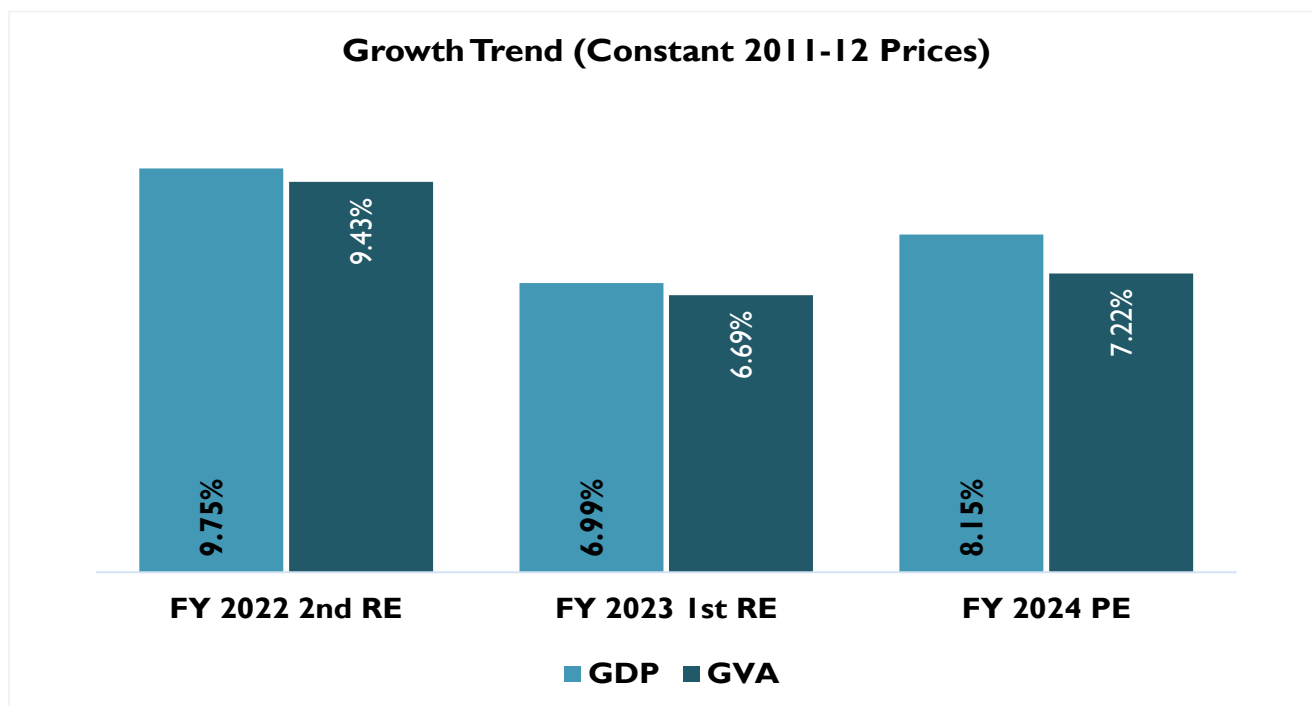
Country	CY 220	CY 2021	CY 2022	CY 2023	CY 2024 E	CY 2025 P	CY 2026 P
India	-7.30%	8.90%	7.20%	8.20%	6.50%	6.50%	6.50%
China	2.30%	8.10%	3.00%	5.20%	4.80%	4.60%	4.50%
United States	-3.40%	5.70%	2.10%	2.90%	2.80%	2.71%	2.10%
Japan	-4.60%	1.60%	1.00%	1.70%	-0.20%	1.10%	0.80%
United Kingdom	-9.80%	7.40%	4.10%	0.30%	0.90%	1.60%	1.50%
Russia	-3.00%	4.70%	-2.10%	3.60%	3.80%	1.40%	1.20%

Source: World Economic Outlook, January 2025

The Government stepped spending on infrastructure projects to boost the economic growth had a positive impact on economic growth. The capital expenditure of the central government increased by average 26.52% during FY 2023-FY 2024 which slowed to 7.27% in FY 2025 which is expected to translate in moderating GDP growth of 6.5% in 2024. In the Union Budget 2025-2026, the government announced INR 11.21 billion capex on infrastructure (10.12% higher than previous year revised estimates) coupled with INR 1.5 trillion in interest-free loans to states. This has provided much-needed confidence to the private sector, and in turn, expected to attract the private investment.

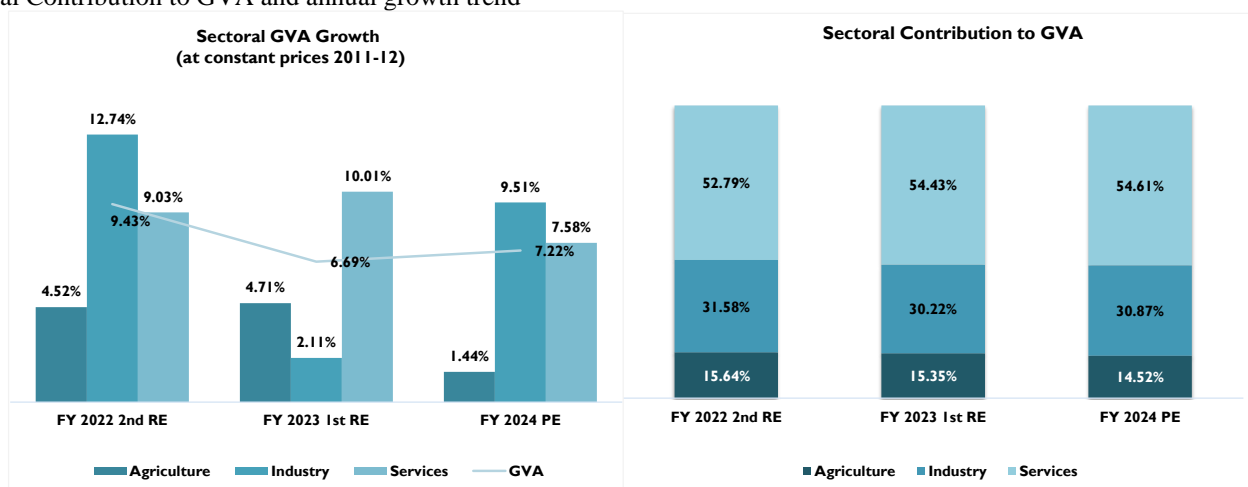
### Historical GDP and GVA Growth trend

As per the provisional estimates 2023-24, India's GDP in FY 2024 grew by 8.15% compared to 6.99% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.



Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics:  
FY2024

#### Sectoral Contribution to GVA and annual growth trend



Source: Ministry of Statistics & Programme Implementation (MOSPI)

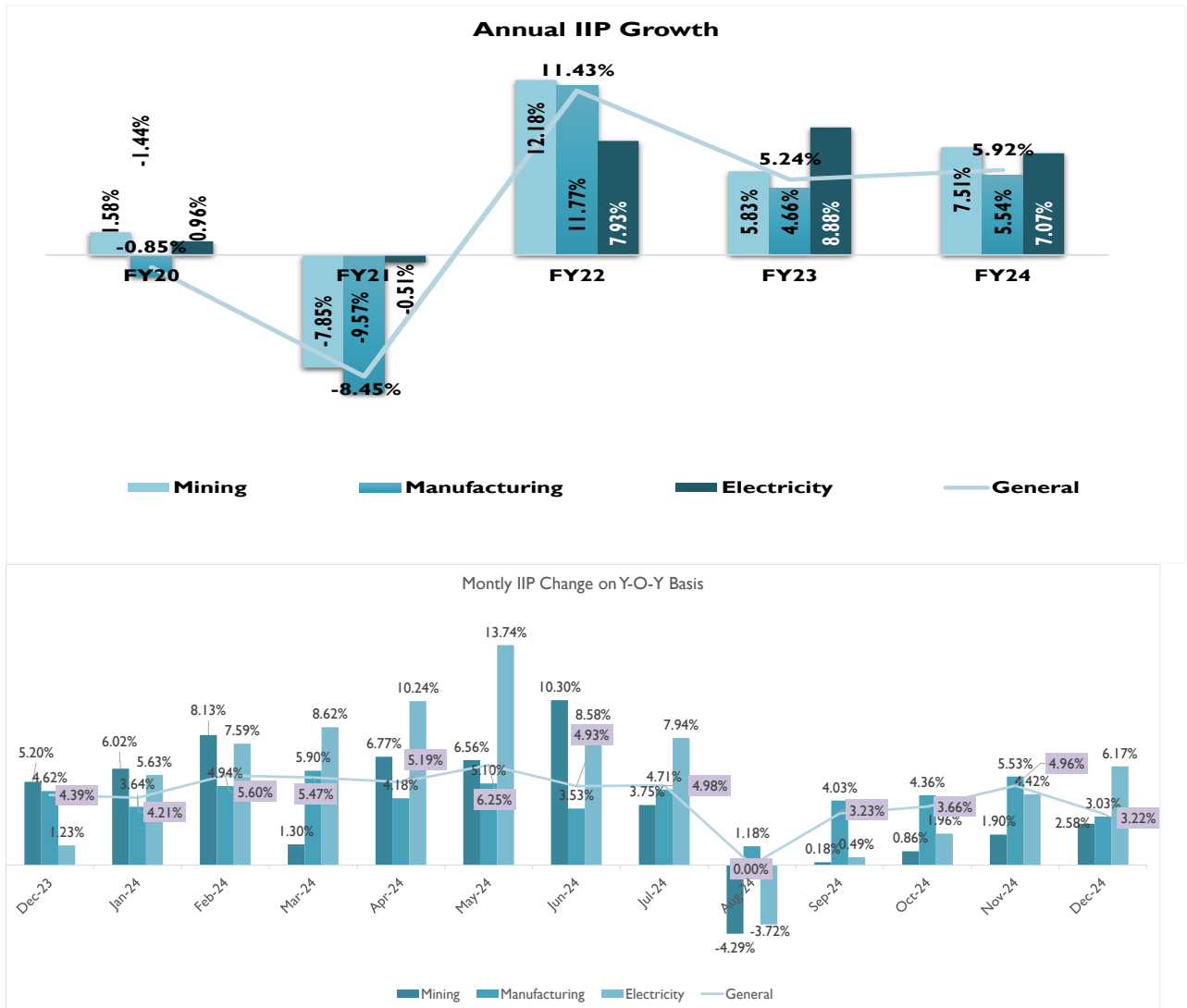
Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9.51% year-on-year increase in FY 2024 against 2.11% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing and construction sector rose significantly and it registered a growth of 7.09%, 9.86% and 9.94% in FY 2024 against a year-on-year change of 1.9%, -2.20%, and 9.44% in FY 2023, respectively. Utilities sector observed a marginal moderation in year-on-year growth to 7.53% against 9.44% in the previous years.

Talking about the services sector's performance, with major relaxation in covid restriction, progress on COVID-19 vaccination and living with virus attitude, business in the service sector gradually returned to normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility returned to the pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen in FY 2023 and grow in FY 2024, although the growth hasn't shown substantial increases. In FY 2024, services sector grew by 7.58% against 10.01% year-on-year growth in the previous year.



## Annual & Monthly IIP Growth

Industrial sector performance as measured by IIP index grew by 5.92% in FY 2024 (against 5.24% in FY 2023) backed by the increased in Manufacturing index, which has 77.63% weightage in overall index. The manufacturing index grew by 5.54% in FY 2024 against 4.66% year-on-year growth in FY 2023. Mining sector index too grew by 7.51% in FY 2024 against 5.83% in the previous years while the Electricity sector Index, witnessed an improvement of 7.07% in FY 2024 against 8.88% in the previous year.

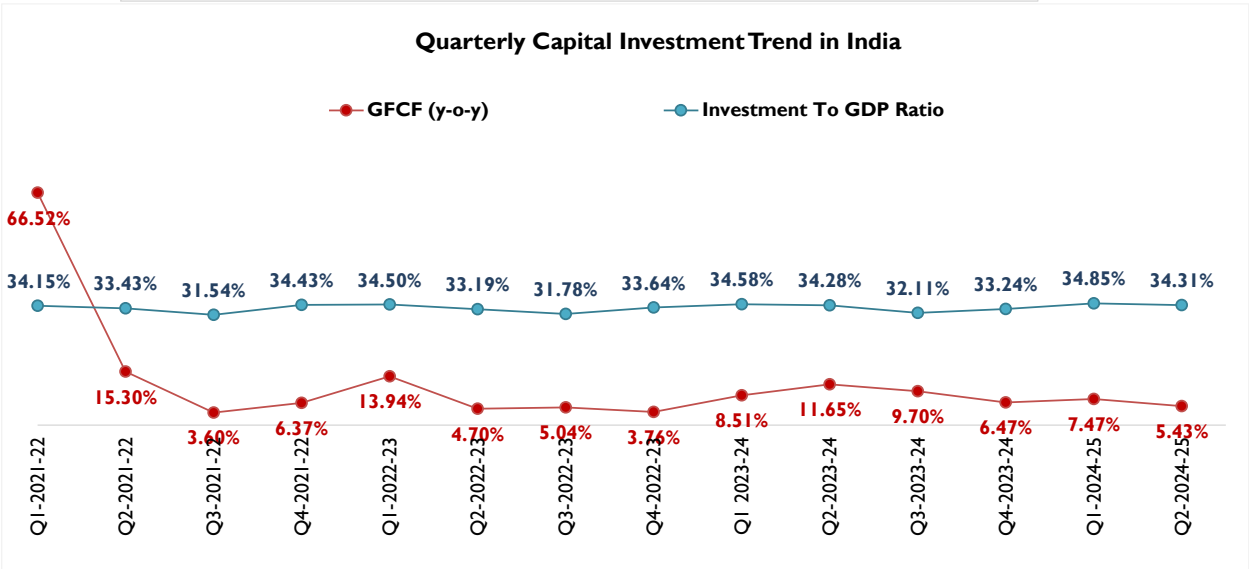
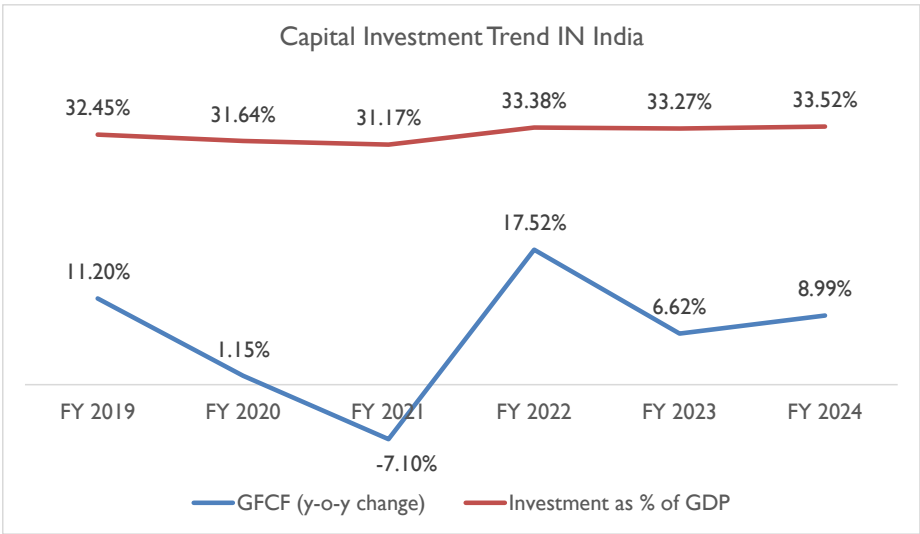


Source: Ministry of Statistics & Programme Implementation (MOSPI)

In the current fiscal FY 2025, the monthly IIP measured index has reported steady improvement over the last fiscal during the first quarter but in later month starting from July 2024 its year-on-year growth moderated due to the high base effect as month year-on-year growth between July 2023 to October 2023 ranged in between 6.18% -11.89% range. Overall month IIP index growth moderated to 3.22% in December 2024 against 4.96% growth in the November 2024 and 4.39% growth in December 2023. Both manufacturing and mining index indicated moderation in December 2024 over the previous month as well as against December 2023 while growth in electricity Index improved considerably against November 2024 and December 2023,

## Annual and Quarterly: Investment & Consumption Scenario

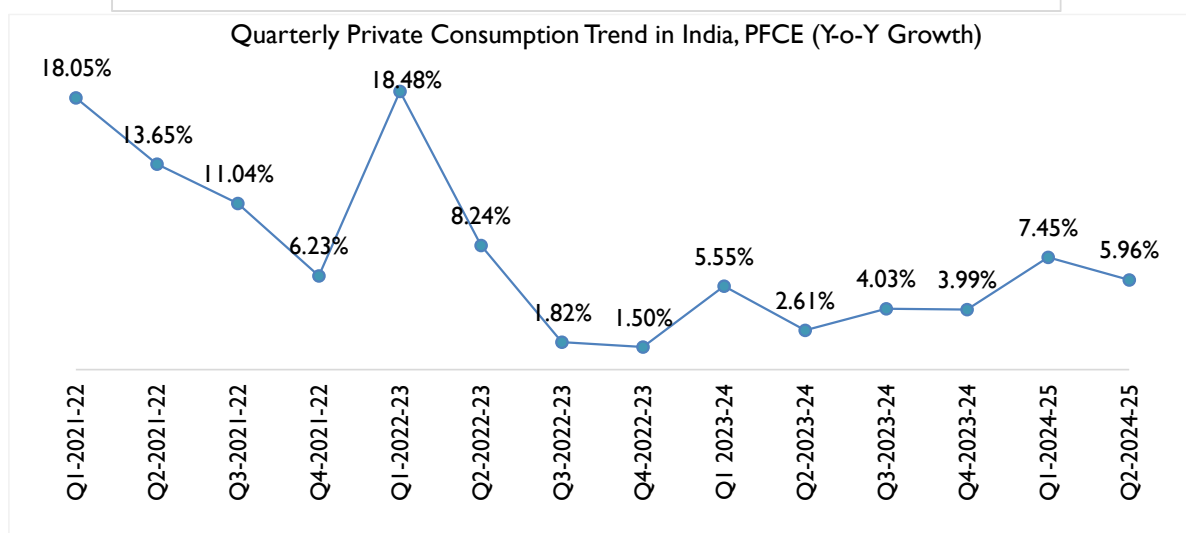
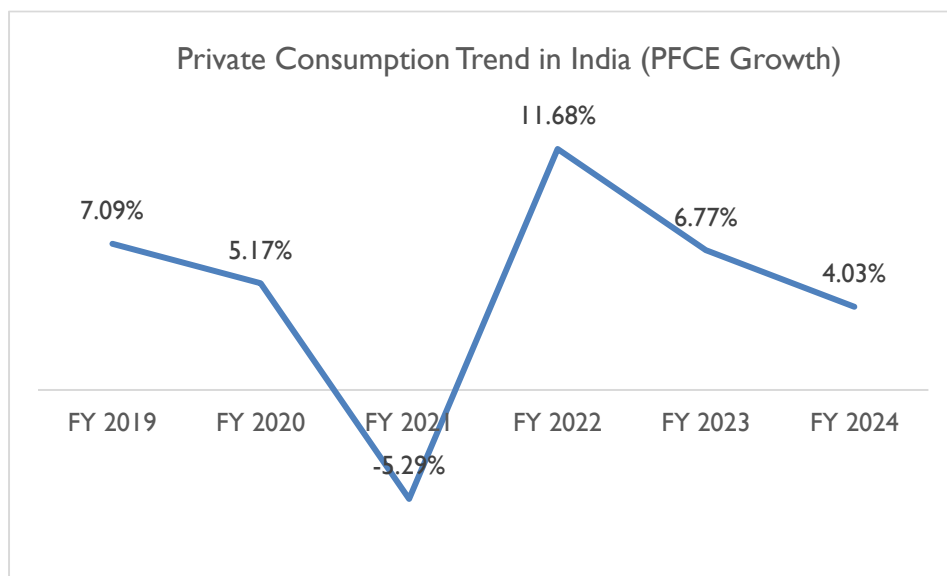
Other major indicators such as Gross fixed capital formation (GFCF), a measure of investments, gained strength during FY 2024 as it registered 8.99% year-on-year growth against 6.62% yearly growth in FY 2023, taking the GFCF to GDP ratio measured to 33.52%, the highest in last six years.



Source: Ministry of Statistics & Programme Implementation (MOSPI)

On quarterly basis, GFCF exhibited a fluctuating trend in quarterly growth over the previous year same quarter. In FY 2024, the growth rate moderated to 6.47% in March quarter against the previous two quarter as government went slow on capital spending amidst the 2024 general election while it observed an improvement in Q1 FY 2025 by growing at 7.47% against 6.47% in the previous quarter. Still, the growth rate remained lower compared to the same quarter in the previous year. The GFCF to GDP ratio measured 34.31% in Q2 FY 2025.

Private Consumption Scenario



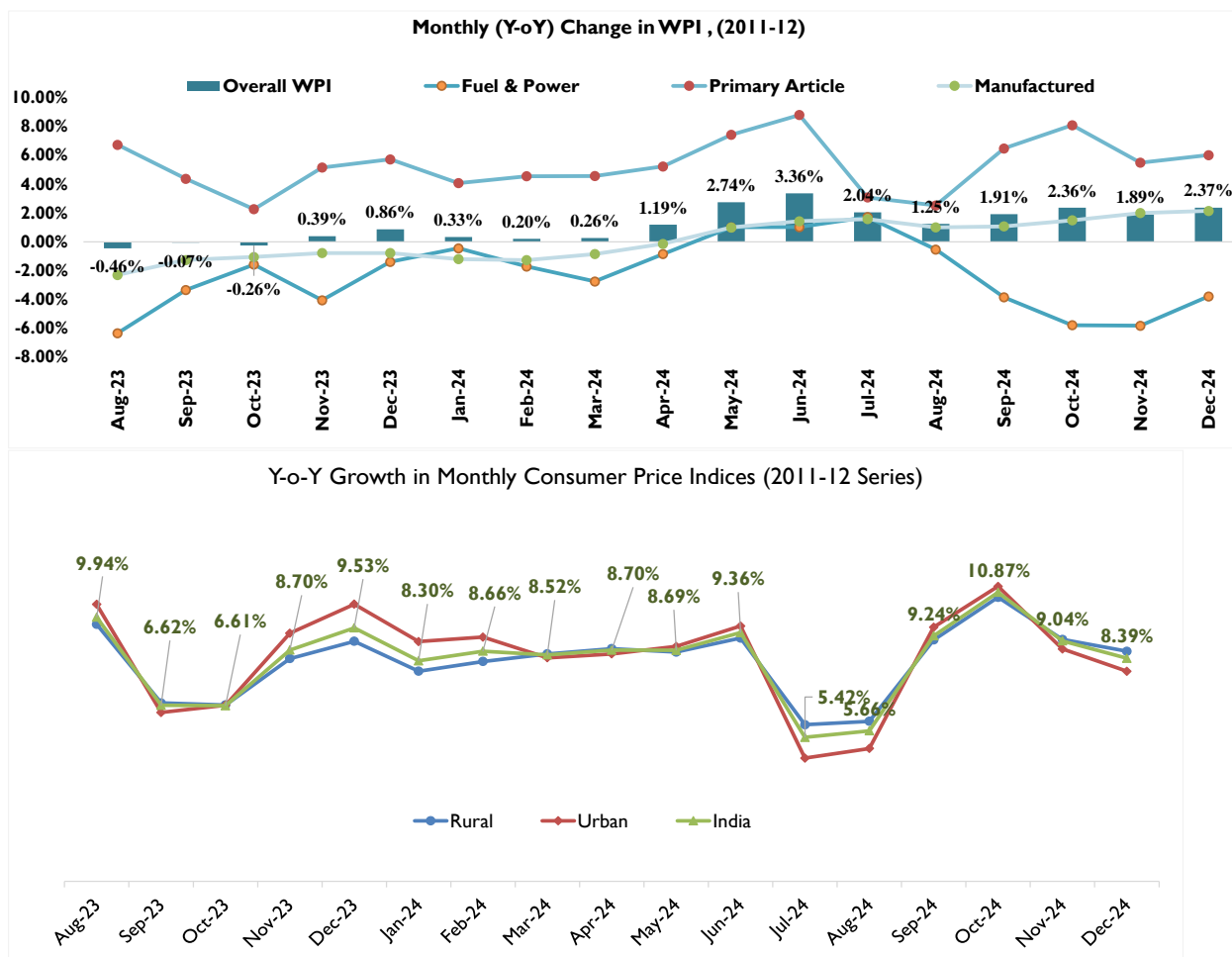
Sources: MOSPI

Private Final Expenditure (PFCE) a realistic proxy to gauge household spending, observed decelerated in FY 2023 and FY 2024 amidst high inflation. However, quarterly data indicated some improvement in the current fiscal as the growth rate improved over the corresponding period in the last fiscal.

### Inflation Scenario

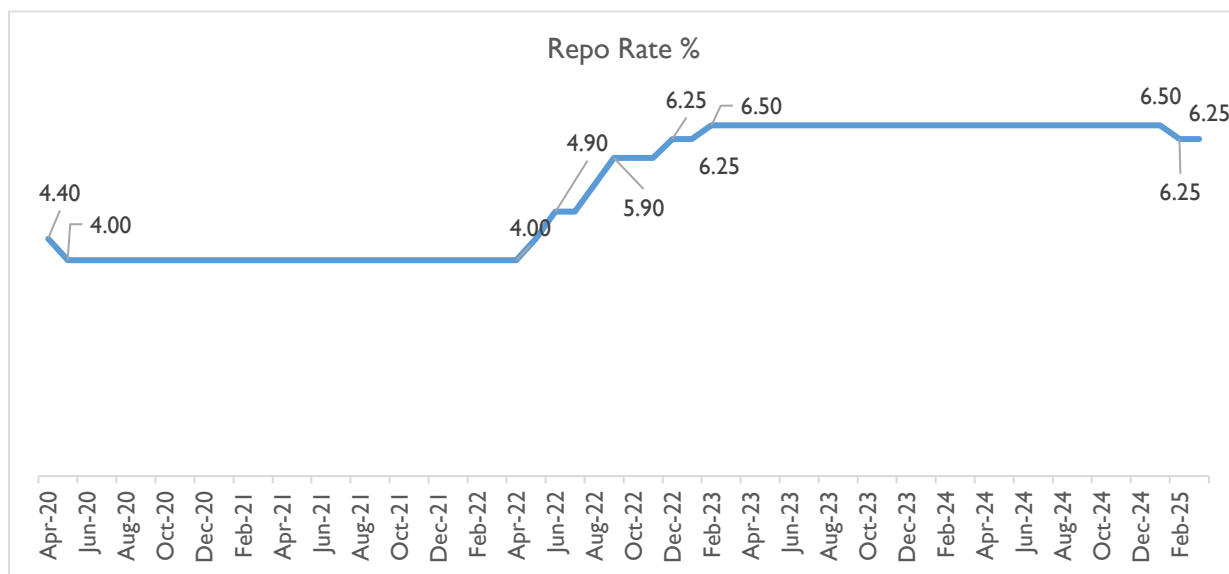
The inflation rate based on India's Wholesale Price Index (WPI) exhibited significant fluctuations across different sectors from August 2023 to December 2024. Overall WPI number measured 2.37% higher in December 2024. Increasing inflation in December 2024 was primarily due to increase in prices of food articles, manufacture of food products, other manufacturing, manufacture of textiles and non-food articles etc. By December 2024, Primary Articles WPI inflation moderated compared to October prices level but increase marginally compared to the previous month and observed 6.02% year-on-year growth over the same month last year. The Price of food articles observed a decline of (-3.08%) and crude petroleum & natural gas (- 2.87%) in December 2024 compared to the previous month i.e. November 2024. However, the Price of non-food articles grew by 2.53% and minerals by 0.48% in December 2024 as compared to November 2024.

Moreover, power & fuel, the index for this major group increased by 1.90% to 149.90 in December 2024 from 147.10 in the month of November 2024. Price of electricity (8.81%) and coal (0.07%) increased in December 2024. The price of mineral oils (-0.06%) decreased in December 2024 as compared to November 2024.



Source: MOSPI, Office of Economic Advisor

Retail inflation rate (as measured by the Consumer Price Index) in India showed notable fluctuations between August 2023 and December 2024. Overall, the national CPI inflation rate increased to 9.94% in August 2023 but moderated to 8.39% by December 2024, indicating a gradual easing of inflationary pressures across both rural and urban areas. Rural CPI inflation peaked at 9.67% in August 2023, declining to 8.65 % in December 2024. Urban CPI inflation followed a similar trend, rising to 10.42% in August 2023 and then dropping to 7.90% in December 2024. CPI measured above 6.00% tolerance limit of the central bank since July 2023. As a part of an anti-inflationary measure, the RBI has hiked the repo rate by 250 bps since May 2022 and 8 Feb 2023 while it held the rate steady at 6.50 % till January 2025. In February, RBI reduced the repo rate for the first time in the last 5 year by 25 basis point to 6.25% from 6.50% previously.



Sources: CMIE Economic Outlook

## Growth Outlook

India's H1 FY2024-25 GDP slowdown is cyclical, influenced by credit tightening and delayed fiscal spending, but strong fundamentals should drive growth in the latter half. The continuity of the NDA government supports ongoing reforms, including labor and land reforms, and efforts to control retail inflation by managing food prices. Inflation eased to 5.5% in November 2024, but risks from high food prices and geopolitical tensions remain. Rural demand has been resilient due to favorable monsoons and agricultural output, while urban demand faces pressure.

Externally, global geopolitical tensions, including the Gaza conflict, pose risks to global stability. The Indian rupee weakened in October 2024 but outperformed its peers, supported by RBI interventions and high FX reserves. Despite this, external pressures, including US monetary policy, will continue to strain the rupee in the near term.

India's projected GDP growth for CY 2025 is 6.50%, the fastest among major emerging markets, and is expected to maintain this growth rate through 2029. Inflation is expected to slow, with improvements in infrastructure, digital technology, and ease of doing business supporting long-term growth. The Union Budget 2025-26 also targets a reduced fiscal deficit of 4.4% (lower than the revised estimate of 4.8% of GDP in 2024-25), highlighting India's capacity to grow while adhering to fiscal goals. Capital expenditure has been significantly boosted, projected at 3.4% of GDP (INR 11.1 trillion) for FY2025-26, the highest in 21 years. Investments in port connectivity and commodity corridors aim to enhance manufacturing competitiveness and achieve export targets.

With a focus on stimulating demand, driving investment and ensuring inclusive development, the budget introduces measures such as tax relief, increased infrastructure spending and incentives for manufacturing and clean energy. These initiatives aim to accelerate growth while maintaining fiscal discipline, reinforcing India's long-term economic resilience. The expansion of tax relief i.e zero tax liability for individuals earning up to INR 12 lacs annually under the new tax regime is expected to strengthen household finances and, consequently, boost consumption.

## Industry Profile

### *Jewellery Tools:*

Jewellery tools are specialized instruments used in the design, creation, and finishing of jewellery pieces. They include hand tools like pliers, cutters, and hammers, as well as advanced equipment such as engraving machines, laser cutters, and polishing tools. These tools enable precision in metal shaping, stone setting, soldering, and finishing, ensuring high-quality craftsmanship. With technological advancements, 3D printing and CNC machines are also being integrated into jewellery-making, enhancing efficiency and customization.

The jewellery tools industry in India plays a crucial role in supporting the country's thriving gems and jewellery sector, which is one of the largest in the world. India, known for its expertise in jewellery manufacturing and exports, has a well-developed ecosystem for jewellery -making tools, including precision hand tools, casting equipment, engraving machines, and polishing solutions. With the rise of advanced technology, laser-cutting machines, 3D printing for jewellery design, and automated polishing tools are gaining traction. The increasing demand for customized jewellery, along with the expansion of small and large-scale jewellery manufacturers, is driving the growth of this sector. Additionally, government initiatives such as the Make in India program and the establishment of jewellery parks are further boosting the adoption of modern jewellery-making tools, making India a key hub for jewellery manufacturing.

#### ***Dental Tools:***

Dental tools are specialized instruments used by dentists and oral healthcare professionals for diagnosing, treating, and preventing dental issues. These tools range from basic hand instruments like mirrors, probes, and scalers to advanced equipment such as dental drills, ultrasonic scalers, digital X-ray machines, and laser devices. Key categories include diagnostic tools (dental mirrors, probes), restorative tools (excavators, burnishers), surgical instruments (forceps, scalpels), and sterilization equipment. Modern innovations such as CAD/CAM systems and 3D printing are revolutionizing dental procedures by improving precision and efficiency.

India's dental tools market is witnessing significant growth, driven by rising awareness of oral health, increasing dental tourism, and expanding private clinics. The demand for technologically advanced equipment, such as laser dentistry tools and digital imaging systems, is increasing, particularly in urban areas. With the rise in cosmetic dentistry and orthodontic procedures, specialized tools for clear aligners and implant surgeries are also in high demand. The Indian government's push for local manufacturing under the "Make in India" initiative is further supporting domestic production, making high-quality dental tools more accessible and cost-effective.

#### **Insights on Key Attributes/Features of the Product Covered**

## Jewellery Tools

### Precision and Durability:

Jewellery tools are crafted with high precision to handle delicate designs and intricate patterns. These are made from high-grade stainless steel, tungsten carbide, or hardened alloys to ensure longevity and resistance to wear and tear.

### Versatility in Function:

A wide range of tools cater to different jewellery-making processes, including cutting, engraving, setting, soldering, and polishing. Multi-functional tools, such as rotary tools with interchangeable bits, allow artisans to perform multiple tasks efficiently.

### Ergonomic Design & Ease of Use

Tools are designed for comfort, with non-slip grips and lightweight structures to reduce hand fatigue. Compact and portable designs make them easy to use for both professionals and hobbyists.

### Stone Setting & Engraving Precision

Prong pushers, bezel rollers, and burnishers help secure gemstones without damaging them. Hand engravers and laser engraving machines add customized designs and textures.

### Specialized Cutting and Shaping Tools

High-precision saw frames, wire cutters, and shears enable accurate metal shaping. Burs and drill bits with diamond coatings allow for intricate carving and detailing.

### Finishing & Polishing Excellence

Buffing wheels, polishing compounds, and ultrasonic cleaners provide smooth and high-gloss finishes. Magnetic tumblers and vibratory polishers enhance efficiency in mass finishing processes.

### Innovation & Digital Integration

CAD (Computer-Aided Design) and CAM (Computer-Aided Manufacturing) tools streamline the jewellery design process. 3D printing tools allow rapid prototyping of intricate jewellery designs.

## Dental Tool

### Precision and Ergonomics

Designed with high precision for accurate dental procedures, minimizing damage to surrounding tissues. Ergonomic grips ensure comfort, reducing hand fatigue for practitioners during prolonged use. Lightweight yet durable construction enhances ease of handling.

### High-Quality Material Composition

Made from medical-grade stainless steel, titanium, or ceramic for corrosion resistance and longevity. Some tools feature diamond or carbide tips for enhanced durability and precision cutting. Autoclavable materials ensure sterilization without compromising tool integrity.

### Advanced Technology Integration

**Laser Dental Tools:** Enable minimally invasive surgeries and precise tissue removal.  
**Ultrasonic Scalers:** Efficiently remove plaque and tartar with high-frequency vibrations.  
**3D Scanners & CAD/CAM Systems:** Improve precision in designing crowns, bridges, and dentures.

### Specialized Instrumentation for Various Procedures

#### a) Diagnostic Tools

**Dental Mirrors:** Provide better visibility inside the mouth.  
**Probes & Explorers:** Detect cavities, calculus, and periodontal pockets.

#### b) Restorative and Operative Tools

**Scalers & Curettes:** Remove plaque and tartar buildup.  
**Excavators & Carvers:** Used for cavity preparation and shaping fillings.

#### c) Surgical and Endodontic Tools

**Forceps & Elevators:** Extract teeth with minimal trauma.  
**Endodontic Files & Reamers:** Clean and shape root canals.

#### d) Prosthodontic & Orthodontic Tools

**Impression Trays & Mixing Spatulas:** Take accurate molds for dental prosthetics.  
**Brackets & Wire Cutters:** Used in orthodontic treatments for braces and aligners.

## Key End-Use Applications of Jewellery Tools and Dental Tools

Jewellery tools and dental tools serve highly specialized industries with unique applications. While jewellery tools are used in crafting, repairing, and refining ornaments, dental tools are essential for diagnostics, treatment, and surgical procedures. Below is a detailed breakdown of their key end-use applications.

### Major Jewellery Tools – Key End-Use Applications

#### 1. Jewellery Design & Fabrication

**Engraving & Etching Tools:** Used to create intricate designs and textures on metals, gemstones, and custom jewellery pieces.

**Saw Frames & Blades:** Essential for cutting metal sheets and forming delicate shapes.

**Wax Carving Tools:** Help in crafting prototypes and models for lost-wax casting.

#### 2. Metalworking & Casting

**Melting & Casting Equipment:** Crucial for melting precious metals like gold and silver for moulding into desired shapes.

**Rolling Mills:** Used to reduce metal thickness and shape it into sheets or wires.

**Jewellery Soldering Tools:** Assist in joining metal parts with precision, essential for chain-making and repairs.

#### 3. Stone Setting & Finishing

**Pliers & Bezel Rollers:** Help secure gemstones in prongs or bezels.

**Polishing & Buffing Tools:** Ensure a flawless surface finish on jewellery pieces.

**Dapping & Doming Tools:** Used to shape metal into rounded forms for beads and curved designs.

#### 4. Repair & Resizing

**Ring Stretchers & Reducers:** Adjust ring sizes without affecting their design.

**Ultrasonic Cleaners:** Remove dirt and residues from intricate jewellery pieces.

**Electroplating Tools:** Restore the finish of worn-out jewellery and apply gold/silver plating.

### Major Dental Tools – Key End-Use Applications

#### 1. Diagnosis & Preventive Care

**Dental Mirrors & Probes:** Aid in detecting cavities, gum diseases, and other oral issues.

**X-ray Holders & Sensors:** Assist in capturing precise dental images for diagnostics.

**Ultrasonic Scalers:** Remove plaque, tartar, and stains for preventive dental care.

#### 2. Restorative Dentistry

**Excavators & Composite Placement Tools:** Help remove decayed portions and apply fillings.

**Crown & Bridge Tools:** Aid in the placement and adjustment of dental prosthetics.

**Dental Adhesive Syringes:** Used for bonding veneers, braces, and crowns securely.

#### 3. Oral Surgery & Endodontics

**Dental Forceps & Elevators:** Used for tooth extractions with minimal trauma.

**Endodontic Files & Reamers:** Assist in cleaning and shaping root canals.

**Bone Grafting & Implant Kits:** Crucial for dental implant procedures and jawbone restoration.

#### 4. Orthodontics & Prosthodontics

**Bracket Placement & Wire Bending Tools:** Essential for fitting and adjusting braces.

**Impression Trays & Mixing Bowls:** Used for moulding and designing dentures and crowns.

**Milling Machines & CAD/CAM Tools:** Help in the precise fabrication of dental prosthetics.



## **Major End-Use Industries for Jewellery Tools and Dental Tools**

### **Jewellery Tools – Major End-Use Industries**

#### **1. Jewellery Manufacturing Industry**

- Jewellery tools are essential for crafting, shaping, and refining precious metals and gemstones.
- Manufacturers use tools for casting, engraving, stone setting, and polishing to create high-quality ornaments.  
Examples: Goldsmiths, diamond cutters, silverware artisans, and luxury jewellery brands like Tanishq, Kalyan Jewellers, and Malabar Gold.

#### **2. Fashion & Costume Jewellery Industry**

- This segment uses jewellery tools to create trendy, mass-produced accessories using non-precious metals, glass, beads, and synthetic stones.
- Processes such as electroplating, laser cutting, and moulding require specialized tools for bulk production.  
Examples: Artificial jewellery brands like Voylla, Pipa Bella, and imitation jewellery manufacturers.

#### **3. Handcrafted & Custom Jewellery Industry**

- Independent artisans and small-scale designers rely on hand tools for engraving, soldering, and stone setting.
- Bespoke jewellery and personalized designs require intricate detailing that is achieved with specialized tools.  
Examples: Handmade jewellers, boutique jewellery stores, and customized jewellery businesses.

#### **4. Gems & Lapidary Industry**

- Tools are used for gemstone cutting, faceting, polishing, and precision shaping.
- This industry demands high-precision tools for refining raw gemstones into market-ready products.  
Examples: Diamond cutting and polishing firms in Surat, Jaipur's gemstone industry.

#### **5. Watchmaking & Luxury Goods Industry**

- Watchmakers use similar precision tools for assembling and repairing watch components, including setting stones on dials.
- High-end watch brands rely on precision instruments for finishing and detailing luxury watches.  
Examples: Rolex, Titan, Omega, and other watchmakers integrating gemstones in designs.

#### **6. Metal & Artisan Craft Industry**

- Tools are used in filigree work, brassware, and metal art to craft unique jewellery pieces and home décor items.
- Artisans specializing in traditional crafts like Kundan, Meenakari, and temple jewellery depend on hand tools for intricate detailing.  
Examples: Traditional Indian jewellery clusters in Rajasthan, West Bengal, and Tamil Nadu.

### **Dental Tools – Major End-Use Industries**

#### **1. Dental Clinics & Hospitals**

- The primary users of dental tools for procedures like check-ups, fillings, root canals, orthodontics, and surgeries.
- Clinics and multi-specialty hospitals require sterilized, high-precision dental instruments.  
Examples: Apollo Dental, Clove Dental, Fortis Healthcare, and government dental hospitals.

#### **2. Dental Laboratories & Prosthodontics Industry**

- Laboratories specialize in creating dental prosthetics such as crowns, bridges, dentures, and implants.

- Tools such as CAD/CAM systems, milling machines, and impression tools help fabricate customized dental solutions.

Examples: Dental prosthetic manufacturers, independent dental labs, and corporate dental chains.

### **3. Orthodontics & Cosmetic Dentistry**

- Tools are used in procedures like braces fitting, aligner manufacturing, teeth whitening, and smile correction.
- High-precision tools help in shaping and adjusting braces, retainers, and clear aligners.

Examples: Invisalign, ClearPath, and orthodontic specialists in cosmetic dentistry clinics.

### **4. Endodontics & Periodontics**

- Endodontists require specialized tools like root canal files, reamers, and ultrasonic scalers for treating dental pulp infections.
- Periodontists use instruments for gum treatments, bone grafting, and implant placements.

Examples: Endodontic specialists, periodontic treatment centres, and dental implant manufacturers.

### **5. Dental Equipment & Instrument Manufacturing Industry**

- Companies manufacture and distribute dental tools, including diagnostic instruments, handpieces, and sterilization units.
- This industry serves both domestic and international markets by supplying high-quality precision instruments.

Examples: Dentsply Sirona, 3M ESPE, Ivoclar Vivadent, and Indian dental tool manufacturers.

### **6. Academic & Research Institutions**

- Dental colleges, universities, and research centres require tools for training future dentists and conducting dental research.
- Institutions invest in high-quality models, simulation tools, and advanced dental technology for student training.

Examples: AIIMS (Dental Wing), Maulana Azad Institute of Dental Sciences, Manipal College of Dental Sciences.

### **Analysis of key factors that are shaping the demand in the industry**

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**Demand Drivers  
for Dental Tool  
Industry in India**

**Rising Dental Care Awareness** – Increasing awareness about oral health and preventive dental care is driving the demand for dental tools such as sterilizers, dental drills, and scalers.

*Example:* The expansion of corporate dental chains like **Clove Dental**, **Sabka Dentist** has significantly increased the demand for professional-grade tools.

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**Growing Medical Tourism** – India is a major hub for dental tourism due to affordable and high-quality treatments, creating demand for advanced dental tools and equipment.

*Example:* Clinics catering to international patients, such as **Apollo White Dental**, are investing in cutting-edge tools like laser dentistry and digital impression systems.

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**Technological Advancements** – The adoption of digital dentistry, including CAD/CAM-based dental implants and 3D printing for dental prosthetics, is driving demand for high-precision dental tools.

*Example:* Companies like **Dentsply Sirona** and **3M India** are providing innovative dental tool solutions to clinics and hospitals.

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**Government Healthcare Initiatives** – Initiatives such as **Ayushman Bharat** and dental health programs in rural areas are promoting the use of modern dental tools across public and private healthcare centers.

*Example:* Mobile dental clinics in rural India use portable dental units for treatments, increasing demand for compact and efficient tools.

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**Demand Drivers  
for Jewellery Tool  
Industry in India**

**Export Growth** – India is a leading exporter of jewellery, particularly gold and diamond-studded ornaments. To maintain international quality standards, manufacturers are adopting high-tech tools such as laser cutting and 3D printing.

*Example:* **GJEPC (Gems & Jewellery Export Promotion Council)** has been promoting exports, leading to increased adoption of modern jewellery-making tools.

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**Technological Advancements** – Innovations in CAD/CAM technology and 3D printing have revolutionized jewellery design, requiring specialized tools for precision crafting.

*Example:* EnvisionTEC and Carat CAD offer advanced 3D printing solutions for jewellery manufacturers in India.

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**Government Initiatives & MSME Growth** – The Indian government's support for small and medium-sized jewellery businesses, through schemes like Make in India, has led to increased demand for affordable jewellery tools.

*Example:* Small-scale artisans in Jaipur and Surat are adopting digital modelling tools to improve their designs and efficiency.

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**Rising Online Jewellery Sales** – E-commerce platforms like Mia by Tanishq, Bluestone, and Caratlane are growing rapidly, requiring mass production tools to meet online demand efficiently.

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**Shift to Sustainable & Recycled Jewellery** – The rise in eco-friendly and recycled jewellery has led to higher demand for refining and recovery tools, such as gold refining machines and metal re-melting furnaces.

*Example:* Tata Cliq Luxury promotes sustainable jewellery, leading to increased adoption of metal recovery tools.

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## Regulatory Landscape

### For Jewellery Tools

The jewellery tool industry in India is influenced by various government regulations and programs that ensure compliance, quality, and ease of trade. Below are some key policies that impact its functioning

#### Import and Export Regulations

- The Directorate General of Foreign Trade (DGFT) provides guidelines on import policies for various items, including jewellery tools, outlining the necessary regulations and compliance requirements. Stakeholders can refer to the ITC(HS) based Import Policy for detailed classifications and specific import regulations applicable to their products.
- The Ministry of Commerce and Industry facilitates export promotion programs for the gems and jewellery sector, including participation in trade fairs and resolving industry challenges.

#### Hallmarking and Quality Certification

- Mandatory Hallmarking for Precious Metal Tools:** The Bureau of Indian Standards (BIS) mandates hallmarking for tools made of precious metals like gold and silver to ensure quality and purity.
- Jeweler Registration & Compliance:** Jewelers and tool manufacturers selling hallmarked products must register with BIS, following strict guidelines on certification and renewal.

#### Goods and Services Tax (GST) & Taxation

- GST Applicability on Jewellery Tools:** Jewellery tools are subject to GST under different tax slabs, depending on the type of tool and material used. The Central Board of Indirect Taxes and Customs (CBIC) determines applicable rates.

## For Dental Tools

### Transition to Licensing Regime for Class C & D Devices

- A circular issued on May 16, 2024, announced that all Class C and D medical devices, including certain dental tools, would transition from a registration to a licensing regime starting October 1, 2023, as per G.S.R. 102(E) dated February 11, 2020. Manufacturers and importers must obtain licenses in accordance with the Medical Devices Rules, 2017

### Adverse Event Reporting Requirements

- On May 15, 2024, Central Drugs Standard Control Organization (CDSCO) emphasized the importance of reporting adverse events related to medical devices. License holders for dental tools are required to report any adverse events under the Materiovigilance Programme of India to enhance patient safety and device efficacy.

## Government Initiative

The Government of India has introduced a range of policies and initiatives aimed at fostering the growth and development of the jewellery tools and dental tools sectors. These efforts are part of a broader strategy to promote domestic manufacturing, enhance product standards, and reduce import dependency—ultimately contributing to India’s vision of becoming a self-reliant manufacturing hub.

### 1. Jewellery Tools Sector

#### a. Establishment of Common Facility Centres (CFCs)

To improve productivity and support small and medium enterprises in the jewellery manufacturing ecosystem, the government has established Common Facility Centres across various jewellery clusters. These CFCs provide access to advanced tools, technologies, and training, thereby enhancing the overall quality and competitiveness of Indian jewellery production.

#### b. Export Promotion Measures

The Export Products (Gems and Jewellery) Division under the Ministry of Commerce and Industry plays a vital role in promoting jewellery exports. The division supports participation in international trade fairs and works to streamline customs procedures for imports of raw materials and tools, enabling Indian manufacturers to stay competitive in global markets.

#### c. Reduction in Customs Duty

In a significant move, the Union Budget 2025 reduced the customs duty on jewellery and parts thereof from 25% to 20%, effective from February 2, 2025. This tariff rationalization is aimed at making jewellery products more affordable, stimulating demand, and supporting domestic players in the value chain—including tool manufacturers.

### 2. Dental Tools Sector

#### a. Push for a National Oral Health Policy

India is witnessing growing demand for improved dental healthcare services, which has sparked discussions around implementing a **National Oral Health Policy**. While the policy is still under consideration, it aims to enhance accessibility and affordability of dental care across the country. The policy could pave the way for increased investment in dental tools and infrastructure, supported by both public and private stakeholders.

b. Infrastructure and Equipment Development

The expansion of dental colleges, clinics, and public health facilities has generated demand for reliable and standardized dental tools. Regulatory mechanisms to ensure the quality and safety of such tools—possibly governed by agencies like the **Central Drugs Standard Control Organization (CDSCO)**—are likely to become more defined as the sector grows.

3. Broader Policy Impact on the Sports Nutrition Sector

While not directly related to jewellery or dental tools, the **sports nutrition** sector offers an example of how government initiatives can shape emerging markets through regulation and promotion. Key programs and policies include:

- **National Sports Policy 2024** – Emphasizes infrastructure, sports science, and nutritional support.
- **Initiatives such as Fit India Movement, POSHAN Abhiyaan, Eat Right India, and Khelo India** – Promote physical well-being and dietary awareness, indirectly supporting the sports nutrition industry.
- **Regulatory oversight by FSSAI** – Ensures safety and standardization in nutritional supplements.

Current Market Scenario

Market Size & Historical Growth Trend- Jewellery Industry in India <sup>1</sup>



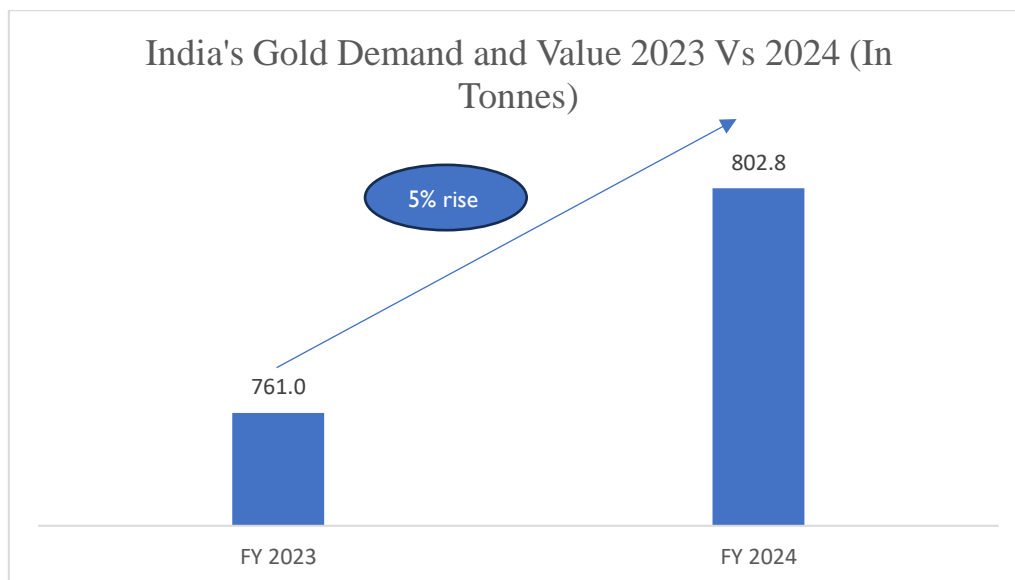
Source: World Gold Council

Jewellery demand, however, dipped slightly in volume by 2%, falling to 563.4 tonnes in 2024 from 575.8 tonnes in the previous year. Despite this, its value climbed 22% to ₹3.6 trillion, indicating continued consumer interest amid fluctuating prices.

In Q4 2024, jewellery demand dropped by 5% to 189.8 tonnes, but the corresponding value jumped 30% year-on-year to ₹1.3 trillion. Much of this buying occurred in late Q3 following the import duty reduction in July, which helped balance out the impact of rising prices.

India's total gold demand witnessed a 5% rise in 2024, reaching 802.8 tonnes compared to 761 tonnes in 2023, as per the latest report by the World Gold Council (WGC). This growth was fuelled by record-high gold prices, a reduction in import duties, and strong investment interest.

<sup>1</sup><https://gjepe.org/solitaire/indias-gold-jewellery-demand-in-2024-drops-2-to-563-4-tonnes-22-in-value-to-%E2%82%B9361690-crore/#:~:text=Jewellery%20demand%2in%20India%20saw,consumer%20interest%20despite%20price%20volatility>



Based on the NITI Aayog's report titled Transforming India's Gold Market, the consumption of gold in India is distributed across various categories as follows:

- **Jewellery:** Approximately 73.1% of the total gold demand is for jewellery, reflecting the cultural significance and traditional use of gold in Indian society.
- **Coins and Bars (Bullion):** About 15.9% of gold consumption is in the form of coins and bars, serving as a means of investment and wealth preservation.
- **Coins:** 6.9% of gold is consumed in the form of coins, which are often used for gifting and investment purposes.
- **Exchange-Traded Funds (ETFs):** 2.7% of gold demand is through ETFs, indicating a growing interest in financial instruments backed by gold.
- **Industrial Use:** A minimal 1.4% of gold is utilized in industrial applications, such as electronics and medical devices.

The overall value of gold demand saw a sharp 31% increase, reaching ₹5,15,390 crore, driven by the price surge. In Q4 2024 alone, gold demand held steady at 265.8 tonnes, but its value rose significantly by 37% to ₹1,92,080 crore, up from ₹1,40,480 crore in Q4 2023.

India, with its deep-rooted cultural heritage and strong affinity for jewellery, remains the world's largest gold consumer, contributing to nearly 20% of global demand. Additionally, the country plays a pivotal role in the diamond industry, processing approximately 90% of the world's diamonds by volume and 55% by value.

Various industry sources suggest, gold dominates with an 80-85% share in India's jewellery market, while studded jewellery, including diamonds, holds a 15-20% market share. This highlights India's unmatched influence in both gold and diamond processing on a global scale.

#### **Impact on Jewellery Tool Industry in India:**

#### Rising Jewellery Value Boosting Precision Tool Demand

India's jewellery demand increased by 2% in 2024, rising to 563.4 tonnes, up from 552.6 tonnes in 2023.

Its value also grew by 22%, reaching ₹3,61,690 crore.

Higher-value jewellery demands better designs, skilled craftsmanship, and precision tools like lasers, ultrasonic polishers, and advanced stone-setting instruments.

#### Higher Production Activity Enhancing Tool Utilization

India processes 90% of the world's diamonds by volume and 55% by value, making it a global hub for jewellery manufacturing.

To maintain this position, cutting-edge tools such as diamond cutting lasers, microscopes, and stone setting machines are essential.

The growing demand for gem-setting tools, polishing machines, and 3D printing technology is driven by the need to meet international quality standards.

#### Market Expansion Leading to Increased Tool Adoption

Over the next five years, more than 5,000 new jewellery stores are expected to open across India.

This expansion will increase demand for manufacturing and repair tools, from traditional hand tools to advanced CNC machines and computer-aided design (CAD) software.

The rise in organized retail will lead to greater standardization in jewellery production, fueling the adoption of modern machinery and automation tools.

#### Technology Adoption & Innovation in Jewellery Tools

With fluctuating gold prices and evolving consumer preferences, manufacturers must invest in new technologies to stay competitive.

3D printing and laser technology are becoming essential for rapid prototyping and precision cutting in jewellery design.

The focus on sustainable and ethical jewellery manufacturing is also driving demand for eco-friendly refining tools and energy-efficient equipment.

### Domestic Demand Scenario- Jewellery Industry <sup>2</sup>

The Indian jewellery market is witnessing significant growth, with projections suggesting the launch of over 5,000 new stores in the next five years (projection spans from FY 2025- 2030). This expansion is fuelled by a strong and consistent demand for gold and diamond jewellery, positioning India as a key player in the global market.

Under the India International Jewellery Show (IIJS) initiative “Brilliant Bharat,” India aims to showcase its rich jewellery craftsmanship on the world stage. The jewellery industry plays a crucial role in the Indian economy, contributing nearly 10% to the GDP and maintaining an annual growth rate of 10%. Despite its impressive progress, nearly half of the sector remains unorganised, presenting vast opportunities for increased formalisation and corporate structuring in retail.

Indian jewellery is internationally renowned for its exceptional designs, superior manufacturing quality, and competitive pricing, solidifying its leadership in both domestic and global markets. The sector's strong growth trajectory not only strengthens India's economy but also enhances its global influence in the jewellery industry.

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<sup>2</sup><https://gjepec.org/solitaire/the-next-decade-belongs-to-indias-gem-jewellery-industry/#:~:text=The%20domestic%20jewellery%20sector%20is,up%20gold%20and%20diamond%20jewellery.>



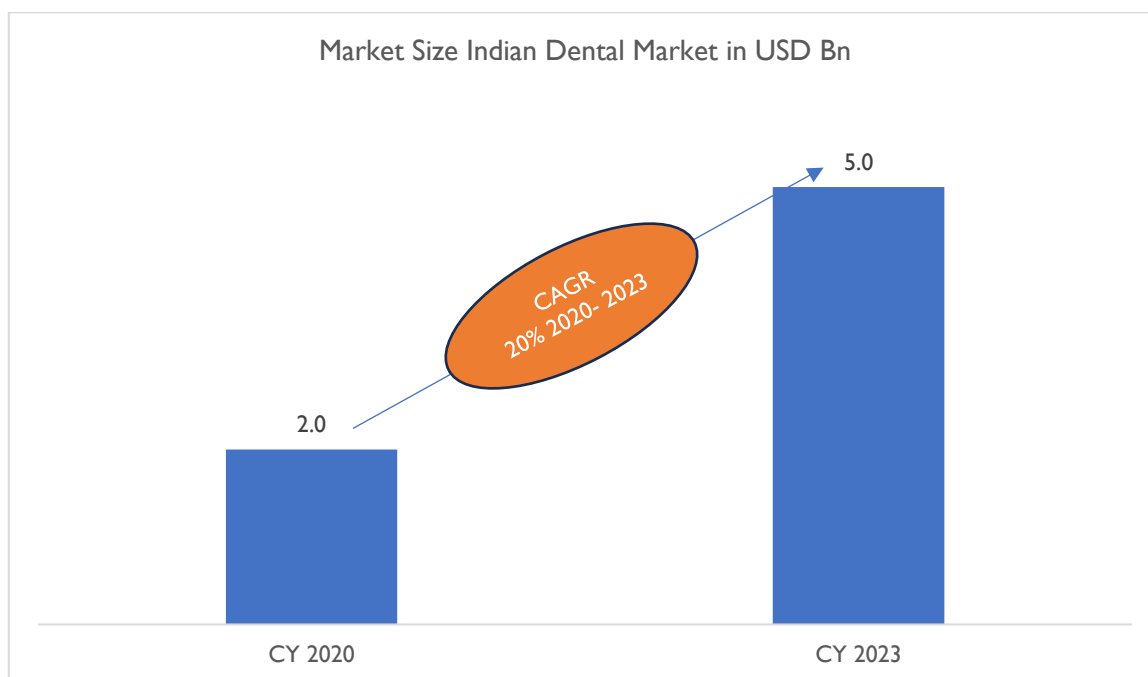
## Market Size & Historical Growth Trend- Dental Industry

Here are the **major statistics and key factors** about Indian Dental Industry:

### General Healthcare Sector in India

- **Market Growth:** The Indian healthcare market was projected to reach **US\$ 372 billion by 2022**, driven by rising income, better health awareness, lifestyle diseases, and increased access to insurance.
- **Public Expenditure:** In the Economic Survey of 2022, India's public healthcare expenditure stood at **2.1% of GDP in 2021-22**, up from **1.8% in 2020-21**.<sup>3</sup>
- **Budget Allocation:** The Union Budget 2024-25, Allocation increased from ₹31,550.87 crore in 2023–24 to ₹36,000 crore in 2024–25.

### Dental Healthcare Sub-Sector



Source: Indian Dental Association

- **Indian Market Potential:** India's dental market is vast and is expected to become one of the largest single-country markets for overseas dental products and materials.
- **Healthcare Infrastructure:** India has over **292,000 dental professionals**, **317 dental institutes**, and more than **5,000 dental laboratories**, indicating a robust infrastructure for dental healthcare services.

### Impact on Dental Tool Industry Sector:

*Over the past decade, India's healthcare sector has witnessed significant transformation, evolving from a primarily curative model to one focused on preventive and quality care. With consistent economic growth and rising disposable income, health awareness began improving steadily, especially after 2015. Around this time, dental health started gaining more attention as part of overall wellness, prompting the emergence of private dental clinics and chains in urban and semi-urban areas. By 2020, lifestyle-related ailments and cosmetic dental demands like braces and whitening further accelerated patient visits, pushing clinics to invest in modern equipment and tools.*

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<sup>3</sup> Ministry Of Health & Family Welfare <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2058791>

*Government support for healthcare has been steadily rising in recent years, reflecting a clear policy shift toward strengthening public health infrastructure. This has also extended to dental care, with expanded facilities and services being introduced in government institutions. At the same time, broader insurance coverage has started making dental treatments more accessible especially for patients in tier 2 and tier 3 cities boosting demand across both public and private sectors introduced in government institutions. At the same time, broader insurance coverage has started making dental treatments more accessible especially for patients in tier 2 and tier 3 cities boosting demand across both public and private sectors.*

### **Nutraceuticals:**

The nutraceutical industry in India represents a dynamic and rapidly growing sector that lies at the intersection of food and healthcare. Nutraceuticals, which include products like dietary supplements, functional foods, and beverages, are derived from natural sources and offer additional health benefits beyond basic nutrition. In India, this industry has gained significant momentum due to the increasing focus on health and wellness, particularly in the wake of the COVID-19 pandemic.

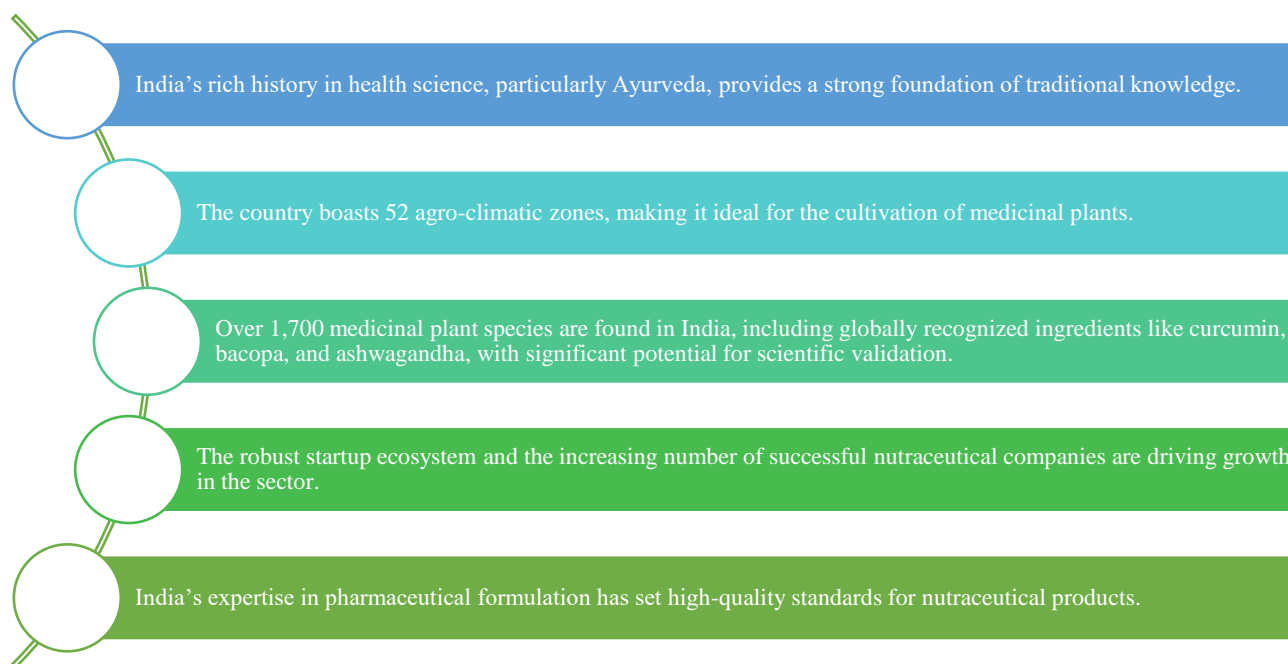
*The term “nutraceuticals” was introduced by Dr. Stephen DeFelice in 1989 and came from two words “nutrition” and “pharmaceutical” which means “it is food or part of a food which provides health benefits.” The health supplements and nutraceutical industry are currently booming industry worth billions and is expected to experience rapid growth in the coming decade. Because consumers are becoming more aware of potential health benefits and the importance of wellness, there has been an increase in the popularity of food products like Dietary supplements, Health Supplements, and Nutraceuticals.*

The demand for nutraceuticals in India is largely driven by a growing awareness of preventive healthcare among consumers. Factors such as a rising prevalence of lifestyle disorders, including diabetes and cardiovascular diseases, have encouraged individuals to seek products that can support long-term health. Additionally, India's rich heritage of Ayurveda and natural medicine continues to inspire innovation in herbal and plant-based nutraceuticals. This cultural foundation aligns with global trends favouring organic and natural health solutions, giving Indian products a competitive edge in both domestic and international markets.

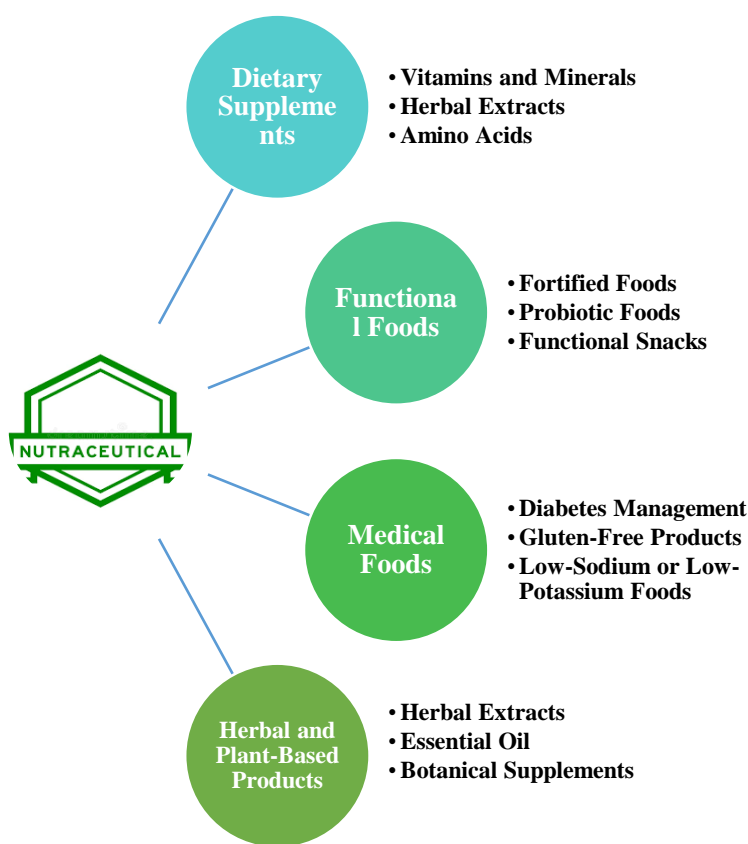
India's demographic profile also contributes significantly to the growth of the nutraceutical industry. A large segment of the population is young and increasingly inclined toward fitness and wellness, while the aging population looks for effective ways to manage chronic health conditions. Government initiatives such as the “Make in India” campaign and the “Fit India Movement” have created a supportive environment for the industry, emphasizing the importance of health and wellness in national development agendas.

However, despite its promising growth trajectory, the nutraceutical industry in India faces several challenges. Regulatory hurdles, including inconsistent standards, continue to pose barriers for manufacturers and marketers. Additionally, limited consumer awareness in rural areas restricts the penetration of these products in less urbanized regions.

**Key advantages for India in the nutraceutical industry include:**



Nutraceuticals cover a broad spectrum of products, from dietary supplements and functional foods to medical foods and plant-based extracts. They are formulated to support health, manage disease, and address specific nutritional needs, offering consumers ways to improve overall well-being or address health concerns. With increasing consumer interest in health and wellness, the nutraceutical market continues to expand, offering more specialized and effective options.



Key Segments & Attributes

The nutraceutical industry in India is primarily driven by the health-conscious consumer segment. This includes individuals who are proactive about their health and wellness, seeking products that offer preventive health benefits and support overall well-being<sup>1</sup>. The market is also influenced by the aging population, which is more receptive to personalized nutrition and preventive healthcare.

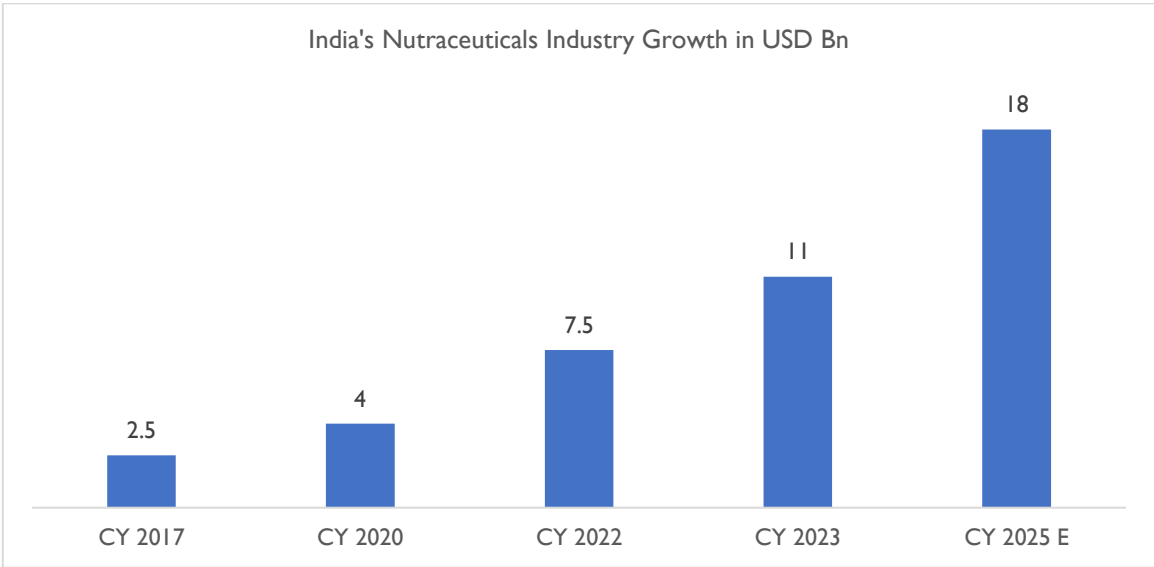
Nutraceuticals encompass a wide range of products that provide health benefits beyond basic nutrition. They are primarily categorized into Dietary Supplements, Functional Foods, and Functional Beverages. These products are formulated with bioactive ingredients such as vitamins, minerals, probiotics, and plant extracts to support overall well-being, enhance immunity, and prevent nutritional deficiencies.

Nutraceuticals are primarily used to address **nutritional deficiencies (51%)**, followed by **muscle building (30%)** and **weight management (15%)**. With rising health awareness, their usage is expanding across all age groups, from children to seniors, catering to diverse nutritional and wellness needs.

With growing consumer awareness and a shift towards preventive healthcare, nutraceuticals have gained significant popularity. Functional foods and beverages offer a convenient way to integrate essential nutrients into daily diets, while dietary supplements provide targeted nutritional support. This expanding market is driven by increasing health consciousness, lifestyle-related disorders, and a preference for natural, wellness-focused solutions.

Nutraceutical Market Size Growth

India’s nutraceutical market is poised to become a global leader, with projections reaching between **USD 4-5 billion 2020**, and an anticipated growth to around **USD 18 billion by 2025**. The dietary supplements market, valued at approximately **USD 4 billion in 2020**, reflecting a robust annual growth rate of 22%. The COVID-19 pandemic has accelerated the importance of preventive healthcare, contributing to the sector’s rapid expansion. As awareness around immunity-boosting products grows, Indian consumers are increasingly embracing supplements as part of their wellness routines. This shift in consumer behaviour is evident in the rising popularity of vitamin capsules, chewable tablets, and gummies, indicating a more open-minded approach to purchasing healthcare products.



Source: Ministry of Food Processing Industries, International Trade Administration

India’s nutraceutical industry has witnessed a robust growth trajectory from USD 2.5 billion in 2017 to an expected USD 18 billion by 2025. This growth can be attributed to shifting consumer health behaviours, increased awareness of preventive health measures, and innovation in product offerings.

The growing demand for immunity boosters, dietary supplements, and functional foods, along with the influence of e-commerce and changing lifestyles, positions India to continue its ascent in the global nutraceutical market.

The market's sustained expansion, with a CAGR of 22.74%, indicates strong momentum in India's nutraceutical industry, driven by increasing consumer health awareness, growing disposable incomes, and the demand for preventive healthcare solutions.

## Trade Scenario

Overall, India's performance across dental tools, jewellery tools a promising future. While each industry operates in distinct spaces, their common threads cost competitiveness, export-driven growth, technological adaptation, and the need for market expansion paint a picture of a nation steadily enhancing its global trade influence. Strategic investments in infrastructure, innovation, and compliance will be crucial to sustaining this momentum and achieving long-term growth.

A closer look at the export destinations reveals that the USA alone accounts for 45% of India's dental tools exports, underscoring the country's reliance on the North American market. The Netherlands (16%) and Germany (14%) further highlight Europe as a significant trade partner, while emerging markets like the UAE (14%) and Brazil (11%) show high growth potential. These figures suggest that while India has built a strong foundation in mature markets, future growth may depend on strategic market diversification particularly toward underpenetrated regions such as Africa, Eastern Europe, and Latin America. The use of HS Code 9018, also other products such as **"Instrmnts And Applncs Used In Mdcl, Surgcl, Dntl/Vtrnry Scncs, Incl Scntgrphc Apprts Elctro-Mdcl Apprts And Sight-Tstng"** comes under same HS Code, provides a standardized framework for categorizing and tracking these exports.

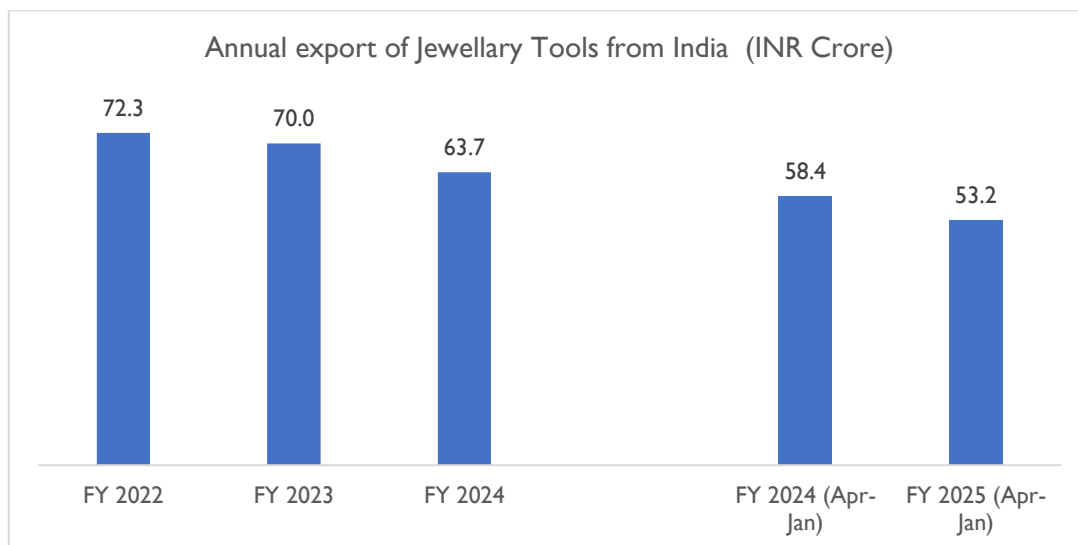
Similarly, the jewellery-making tools and supplies industry, classified under HS Code 82055930, also other products such as **"Hand T00ls F0r Specified Uses, Such As, Watch Makng T00ls, Goldsmith T00ls"** comes under same HS Code. Jewellery Tools has seen steady demand, driven by India's legacy in craftsmanship and cost-efficient precision tools. However, both the dental and jewellery tool industries face common challenges, such as fluctuating raw material costs, increasing regulatory compliance, counterfeit product risks, and the need to adapt to rapid technological change. To remain competitive, these sectors must invest in automation, skill development, and R&D while strengthening their supply chains and exploring sustainable practices to meet global expectations.

Overall, India's performance across dental tools, jewellery tools a promising future. While each industry operates in distinct spaces, their common threads cost competitiveness, export-driven growth, technological adaptation, and the need for market expansion paint a picture of a nation steadily enhancing its global trade influence. Strategic investments in infrastructure, innovation, and compliance will be crucial to sustaining this momentum and achieving long-term growth.

The trade values and export figures mentioned for dental tools and jewellery tools encompass a broader category of products that fall under their respective HS Codes 9018 and 82055930. This includes not only the core dental and jewellery tools but also a range of related instruments and appliances used in medical, surgical, dental, and veterinary sciences (for HS Code 9018), as well as specialized hand tools used in watchmaking, goldsmithing, and other precision work (for HS Code 82055930). These HS Codes provide a standardized classification system that captures the collective trade activity of various associated products, giving a more comprehensive view of India's export performance in these sectors.

### 1. Dental Tools (HS Code-82055930)

Historical Trend in Exports- Jewellery Tools



Source: Directorate General of Foreign Trade

### Observations & Trends

The annual export of Jewellery Tools from India has shown a consistent **declining trend** over the past four fiscal years:

- From **₹72.3 Cr in FY 2022** to **₹70.0 Cr in FY 2023**, marking a marginal drop.
- A more noticeable decline occurred in **FY 2024**, with exports falling to **₹63.7 Cr**, representing an approximate **8.9%** decrease compared to FY 2023.
- For **FY 2025 (Apr-Jan)**, exports stand at **₹53.2 Cr** for the first 11 months. This figure suggests that unless there is a significant increase in the final two months, FY 2025 may see exports fall below the FY 2024 level.

**Also, if comparing 11 months export for the month Apr-Jan in FY 2025 is ₹5.21 Cr lower than the same period in FY 2024. This represents a decline of approximately 8.9%, indicating weaker demand or reduced global market competitiveness for Indian jewellery tools during the current fiscal year.**

### Key Insights

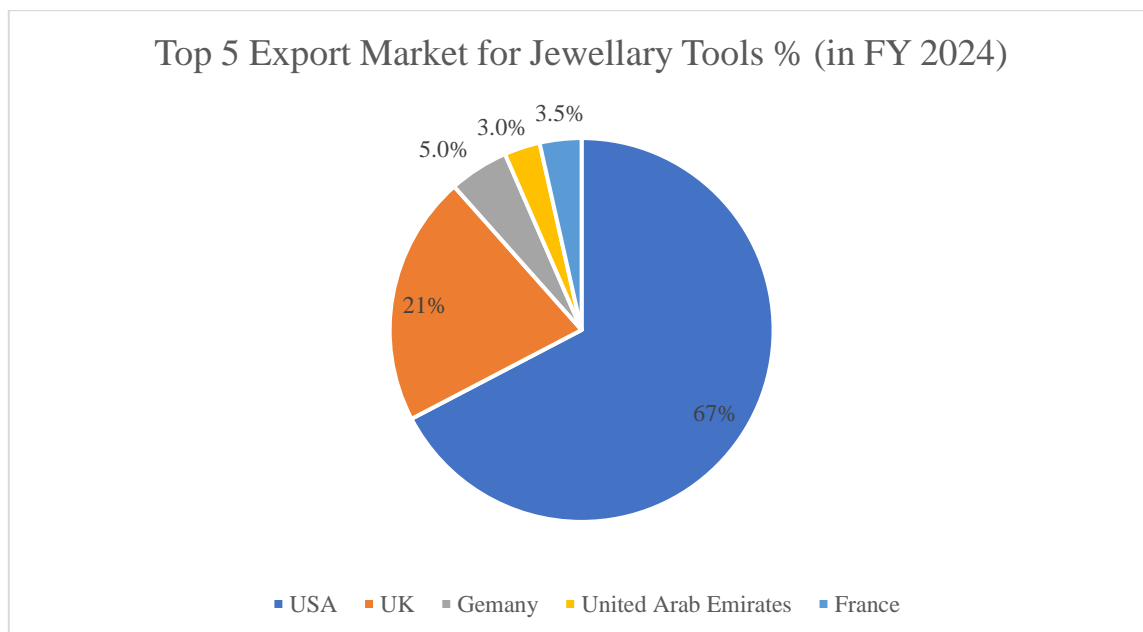
- **Steady Decline in Exports:** There has been a consistent downward trend in the past three years, showing reduced demand or increasing competition in the jewellery tools export market.
- **FY 2025 Projection:** If the trend continues, the total exports for the year might remain around the FY 2024 level or decline further.
- **Potential Factors Affecting Exports:**
  - Global economic slowdown or reduced demand in key markets.
  - Rising competition from other jewellery tool exporters.
  - Possible supply chain disruptions or increased production costs.
  - Changing regulations or tariffs impacting exports.

### Conclusion

- **Market Expansion:** Exploring new international markets to increase export volumes.
- **Value Addition:** Introducing higher-value, specialized jewellery tools to differentiate from competitors.
- **Government Support & Trade Policies:** Seeking policy support or incentives to boost exports.
- **Supply Chain Efficiency:** Reducing production and logistics costs to stay competitive.

Overall, the declining trend is a concern, and strategic interventions may be required to stabilize and grow exports in the coming years.

Top 5 Export Destination (Countries)



Source: Directorate General of Foreign Trade

The pie chart represents the percentage share of the top five countries that import jewellery tools in the fiscal year 2024. Below is a detailed analysis:

#### **1. Dominance of the USA (67%)**

- The USA holds a massive 67% share in the jewellery tools export market, making it the largest importer. This suggests that the USA has a strong demand for jewellery tools, likely due to a thriving jewellery industry, high consumer demand, and a strong retail sector. The dominance also indicates long-standing trade relationships and possibly competitive pricing from the exporting country.

#### **2. Significant Contribution from the UK (21%)**

- The UK accounts for 21% of the exports, making it the second-largest market. This highlights a well-established jewellery sector in the UK, potentially driven by luxury brands, custom jewellery manufacturing, and export-oriented businesses. The UK's demand could be linked to both domestic consumption and re-exports to other European countries.

#### **3. Moderate Share of Germany (5%)**

- Germany holds a 5% share, which is significantly lower than the USA and UK but still substantial. This suggests a steady demand from jewellery manufacturers, tool suppliers, and workshops in Germany. The lower percentage could indicate competition from local manufacturers or alternative sourcing strategies.

#### **4. United Arab Emirates (UAE) Share at 3%**

- The UAE accounts for 3% of the jewellery tool imports. The UAE is a well-known hub for gold and diamond jewellery and is home to major jewellery trading hubs such as Dubai Gold Souk. The relatively smaller percentage could mean that the country sources tools from multiple suppliers globally rather than relying on a single exporter.

#### **5. France Holds the Smallest Share (3.5%)**

- France's share is 3.5%, slightly higher than the UAE. This indicates a stable but limited market for jewellery tools, likely catering to high-end luxury brands and small-scale jewellery workshops. France's jewellery industry is focused more on premium, designer, and luxury segments, possibly limiting the volume-based demand for tools.

### Key Takeaways

*USA and UK together dominate (88%) of the market, indicating that most jewellery tool exports are concentrated in these two regions. Germany, UAE, and France have relatively smaller shares, suggesting niche demands or diversified sourcing strategies. The data suggests that the global jewellery tool market is highly skewed towards North America and Europe, with only a small presence in the Middle East.*

### Historical Trend in Import- Jewellery Tools



Source: Directorate General of Foreign Trade

### Observed Trends in Imports

#### ➤ Steady Growth from FY 2022 to FY 2023

- The import value increased significantly from ₹8.8 Cr in FY 2021-22 to ₹21.6 Cr in FY 2022-23.
- This marks a growth of approximately 145%, indicating a sharp rise in demand for jewellery tools.
- Possible reasons for this growth:
  - Post-pandemic recovery: Increased production and exports of jewellery.
  - Growing jewellery manufacturing sector, especially in export-driven markets.
  - Rising investments in automation and advanced jewellery-making technology.

#### ➤ Decline in FY 2024 Imports

- In FY 2024, imports declined slightly to ₹19.9 Cr from ₹21.6 Cr in the previous year.
- This represents a decrease of approximately 7.6%, suggesting a stabilization in demand.
- Possible reasons for this dip:
  - Inventory adjustments: Companies may have stocked up in FY 2023, reducing demand in the next year.
  - Global economic slowdowns affecting jewellery sales.
  - Increased domestic manufacturing capabilities, reducing dependency on imports.

#### ➤ FY 2025 (April–December) Projection

- As of April–December FY 2025, imports stand at ₹14.47 Cr.



- If this trend continues, the full-year total is likely to be around ₹19-20 Cr, suggesting stabilization at FY 2024 levels.
- This suggests a consistent demand for jewellery tools, maintaining the previous year's levels despite global uncertainties.

### Key Insights & Future Outlook

#### Long-Term Growth Potential

- Despite the recent dip, the overall import trend shows strong growth compared to FY 2022.
- The increase in jewellery exports, rising disposable income, and a growing preference for custom jewellery could drive future demand for high-quality tools.

#### Possible Shift Towards Domestic Production

- The slight decline after FY 2023 suggests that local manufacturing may be improving, reducing reliance on imports.
- Government policies promoting "Make in India" for jewellery manufacturing could be playing a role.

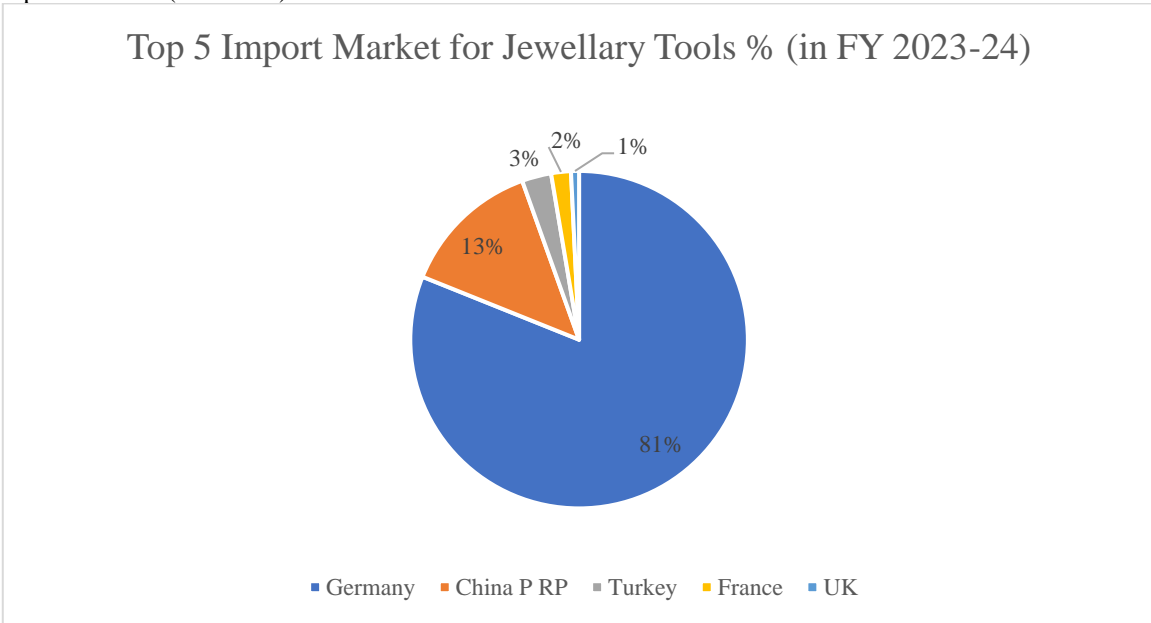
#### External Factors Affecting Imports

- Fluctuations in global metal prices, foreign exchange rates, and trade policies may impact future import patterns.
- Increased automation and technology adoption in jewellery-making could drive demand for specialized tools, influencing import trends.

### Conclusion

- The market saw rapid growth from FY 2022 to FY 2023, followed by a slight decline and stabilization in FY 2024 and FY 2025 (so far).
- If the current pace continues, imports will likely remain around ₹19-20 Cr for FY 2025, indicating a stable market demand.
- Factors such as local production growth, global economic conditions, and jewellery industry trends will shape the future import levels.

#### Top 5 Import Partners (Countries)



Source: Directorate General of Foreign Trade

The pie chart illustrates the percentage share of the top five countries from which jewellery tools were imported in the fiscal year 2023-24. Below is a detailed breakdown and analysis of the data:

#### 1) Dominance of Germany in Imports (81%)

- Germany accounts for a massive 81% of jewellery tool imports, making it the primary source.
- This suggests:
  - High-quality and precision tools from Germany.
  - Long-term trade relationships with suppliers in Germany.
  - Technology-driven manufacturing processes making German tools a preferred choice.
- The significant reliance on Germany could also indicate limited domestic production of high-quality tools, leading to heavy dependence on imports.

#### 2) China's Contribution (13%)

- China ranks second with 13% of jewellery tool imports.
- Key factors influencing China's market share:
  - **Cost-effectiveness:** Chinese manufacturers provide affordable alternatives compared to European suppliers.
  - **Mass production capabilities.**
  - **Variety in tool options,** catering to different budget segments.
- Despite China's competitive pricing, its share is much lower than Germany's, possibly due to concerns over quality and durability.

#### 3) Turkey's Share (3%)

- Turkey contributes 3% to the jewellery tool imports.
- Potential reasons:
  - Turkey has a growing jewellery industry with well-established manufacturing sectors.
  - It serves as a regional hub for jewellery production, making it a secondary source.
  - Possible specialization in niche or traditional jewellery tools.

#### 4) France's Limited Role (2%)

- France accounts for 2% of imports, a relatively small share.
- Likely reasons:
  - France is more focused on luxury jewellery production rather than jewellery tool manufacturing.
  - The country might be importing from Germany and China instead of mass-producing tools for export.

#### 5) UK's Minimal Contribution (1%)

- The UK holds the smallest share at just 1%.
- This suggests:
  - Limited domestic tool manufacturing focused on niche segments.
  - UK suppliers may be acting as intermediaries rather than primary manufacturers.

### Key Insights & Takeaways

1. Germany's dominant position (81%) highlights its reputation for high-quality precision tools.
2. China (13%) remains a cost-effective alternative, but quality concerns may limit its growth.
3. Turkey (3%), France (2%), and the UK (1%) collectively make up just 6% of total imports, indicating a concentrated supplier base.
4. The high reliance on Germany means supply chain risks—any disruptions in German exports could impact jewellery tool availability.

### Future Considerations

- Diversifying suppliers beyond Germany to reduce dependency.
- Exploring cost-effective alternatives from China and Turkey while maintaining quality standards.

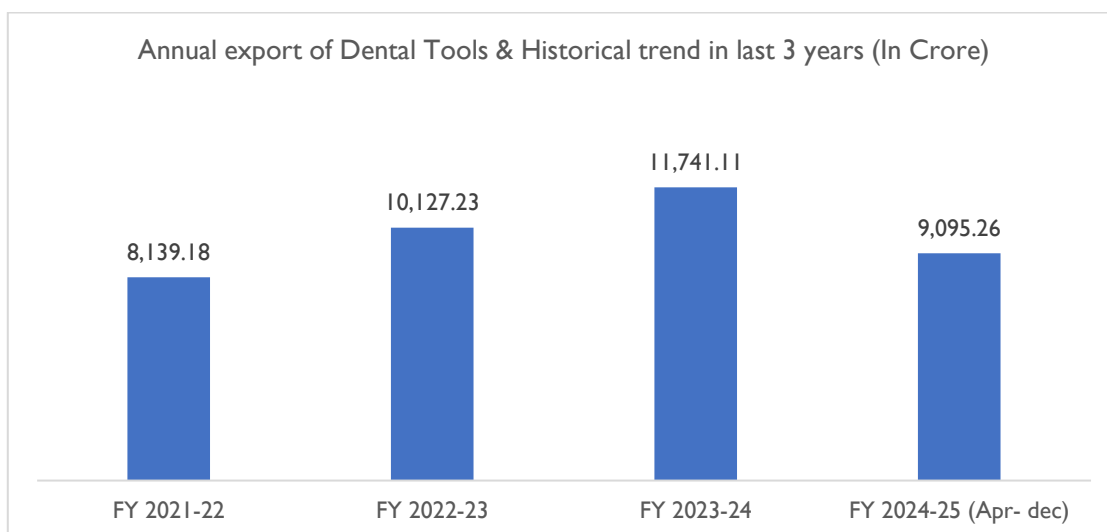
- Investing in domestic manufacturing to reduce reliance on imports.

## 2. Dental Tools (HS Code-9018)

India is a net importer of dental tools (HS Code: 9018), with imports substantially surpassing exports. This trade imbalance highlights the country's reliance on international suppliers to meet domestic demand for dental equipment.

### Historical Trend in Exports- Dental Tools

Annual exports from India & historical trend (last 3 years):



Source: Directorate General of Foreign Trade

### 1) Steady Increase in Exports (FY 2021-22 to FY 2023-24)

- Exports grew from ₹8,139.18 Cr in FY 2021-22 to ₹11,741.11 Cr in FY 2023-24.
- This reflects a compound annual growth rate (CAGR) of approximately 20%, indicating strong global demand for dental tools.
- Possible reasons for this surge:
  - Increasing global dental healthcare demand, with growing awareness of oral hygiene.
  - Technological advancements in dental tools leading to higher exports.
  - India's competitive pricing compared to Western markets.

### 2) Decline in FY 2024-25 (April–December)

- Exports stand at ₹9,095.26 Cr for April–December FY 2024-25.
- If the trend continues, full-year exports might reach around ₹12,000 Cr, similar to FY 2023-24.
- However, the growth rate appears to be slowing, suggesting:
  - Global economic uncertainties affecting demand.
  - Supply chain challenges impacting exports.
  - Possible saturation in key markets leading to stable rather than rapid growth.

### 3) Key Observations & Future Outlook

#### Strong Industry Growth with Some Stabilization

- The 20% CAGR over three years indicates a booming dental tools export market.
- However, growth in FY 2024-25 appears to be plateauing.

#### Potential Market Diversification Needed

- India might need to expand into new markets or innovate to sustain high growth.
- Exploring new regions like Africa, Latin America, and Eastern Europe could help boost demand.

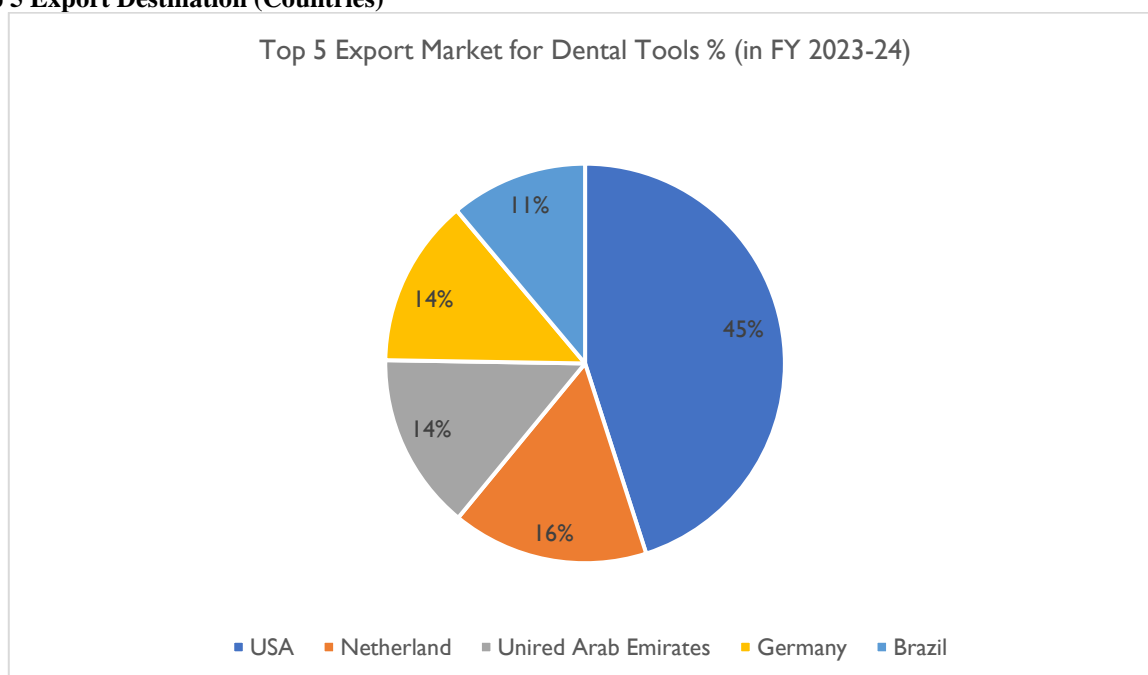
### Domestic Manufacturing Strength

- The steady growth suggests that India has built strong manufacturing capabilities.
- Increasing automation and R&D investments in the dental sector could further improve exports.

### Conclusion

- Exports have grown significantly from ₹8,139.18 Cr to ₹11,741.11 Cr in three years, showing strong international demand.
- FY 2024-25 (April–December) data suggests potential stabilization, with exports projected to be around ₹12,000 Cr for the full year.
- Further market expansion and product innovation will be essential to maintain high growth.

### Top 5 Export Destination (Countries)



The pie chart presents the top five export destinations for dental tools in FY 2023-24, along with their respective market shares. Here is a detailed breakdown and analysis:

#### 1) Key Market Share Distribution

##### a) USA – 45% (Largest Market)

- The USA is the dominant importer of Indian dental tools, accounting for nearly half of total exports.
- Possible reasons:
  - High demand for dental equipment due to an aging population and increasing focus on oral healthcare.
  - India's cost advantage compared to Western manufacturers.
  - Strong trade relations and established supply chains between India and the US.

##### b) Netherlands – 16%

- The Netherlands is a key hub for European distribution, making it a crucial market.
- Indian dental tools likely enter Western European markets via the Netherlands.
- Demand is driven by advanced dental technology adoption and rising healthcare awareness.

**c) UAE – 14%**

- The Middle East is an emerging market for dental care, and the UAE acts as a gateway for Indian exports.
- The demand is fuelled by:
  - A growing medical tourism industry in the region.
  - Investment in healthcare infrastructure by the UAE government.

**d) Germany – 14%**

- Germany is home to one of the most advanced dental industries in the world.
- Despite strong local manufacturers, Indian exporters are able to cater to demand due to:
  - Competitive pricing.
  - High-quality precision tools.
  - Collaboration with German dental companies.

**e) Brazil – 11%**

- Brazil is a key market in South America for dental products.
- Growing middle-class population and increasing access to healthcare services drive demand.
- Brazil's dental market is one of the largest in Latin America, creating a steady demand for imports.

**2) Key Observations and Market Trends**

**1. North America is the Leading Market**

- The USA alone holds 45% of exports, indicating strong dependence on this market.
- Any regulatory changes in the US could impact India's dental tool exports.

**2. Europe as a Significant Market**

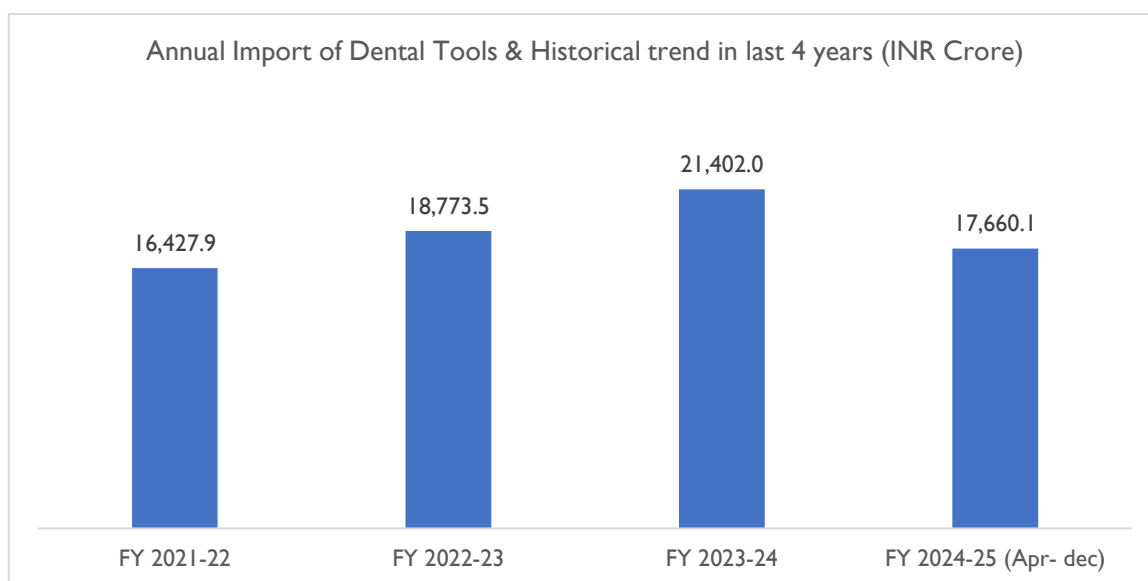
- Netherlands and Germany combined account for 30%, making the EU an important trade partner.
- Indian exporters might benefit from increasing demand for affordable dental tools in Europe.

**3. Emerging Opportunities in the Middle East & South America**

- The UAE and Brazil indicate high-growth potential.
- Brazil's growing healthcare infrastructure and the UAE's expanding dental care industry could present new business opportunities.

**Historical Trend in Import- Dental Tools**

Annual imports to India & historical trend (last 4 years):



Source: Directorate General of Foreign Trade

The bar graph presents the annual import value of dental tools over the last three financial years (FY 2022 to FY 2024) and the partial data for FY 2025 (April to December). Below is a detailed analysis:

### 1) Trend Analysis (FY 2022 to FY 2025)

#### a) Growth in Imports Over Three Years

- The import value has steadily increased over the past three years:
  - **FY 2022:** ₹16,427.86 Cr
  - **FY 2023:** ₹18,773.48 Cr (14.3% increase from previous year)
  - **FY 2024:** ₹21,401.97 Cr (14% increase from FY 2023)
- This indicates consistent growth in demand for dental tools in India.

#### b) Decline in FY 2025 (April–December)

- FY 2025 (April–December) shows imports of ₹17,660.08 Cr.
- If this trend continues, the full-year import value may not reach FY 2024 levels, signalling a possible decline or stabilization.
- The decline could be due to:
  - Increased domestic production of dental tools.
  - Regulatory changes affecting imports.

### 2) Key Factors Driving Import Trends

#### Rising Demand for Dental Equipment

- Increasing dental health awareness and growing investments in the healthcare sector have driven imports.
- Expanding dental tourism in India might be pushing demand for advanced equipment.

#### Dependence on International Suppliers

- India relies on high-tech dental equipment from foreign suppliers, which contributes to the increase in imports.
- Countries like Germany, the USA, and China are key sources of imported dental tools.

#### Potential Impact of Local Manufacturing

- The "Make in India" initiative and incentives for local medical equipment manufacturers may have started reducing dependency on imports, leading to a potential decline in FY 2025.

#### Fluctuating Global Trade & Prices

- Exchange rate fluctuations, global supply chain disruptions, and trade policies could have affected import volumes, particularly in FY 2025.

### 3) Future Outlook & Recommendations

#### If the Decline in FY 2025 Continues

- India may be shifting towards more self-reliance in dental tool production.
- Companies should explore local alternatives and government incentives to reduce import costs.

#### If Import Demand Revives

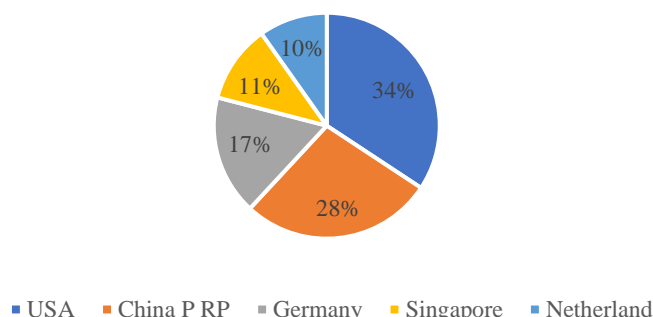
- If the demand for advanced dental technologies continues to rise, import levels may pick up in the second half of FY 2025.
- India should focus on strategic partnerships with key exporting nations for better trade terms.

### 4) Conclusion

- The import of dental tools increased steadily from FY 2022 to FY 2024, peaking at ₹21,401.97 Cr.
- However, FY 2025 (Apr-Dec) data suggest a potential slowdown, indicating either reduced demand or a shift toward local alternatives. And the future trend will depend on domestic manufacturing growth, trade policies, and healthcare sector developments.

Top 5 Import Partners (Countries)

Top 5 Import Market for Jewellery Tools % (in FY 2024)



Source: Directorate General of Foreign Trade

The pie chart provides a breakdown of the top five import markets for jewellery tools in FY 2024. Below is a detailed analysis:

### 1. Market Share Distribution

- **USA (34%)** – The largest supplier of jewellery tools, contributing over one-third of total imports.
- **China P RP (28%)** – The second-largest source, accounting for a significant 28% share.
- **Germany (17%)** – A key European supplier, likely providing high-quality and precision tools.
- **Singapore (11%)** – A smaller but notable contributor, possibly acting as a re-export hub.
- **Netherlands (10%)** – A European supplier with a limited but relevant share in the market.

### 2. Key Observations & Insights

#### USA Dominance (34%)

- The USA is the top supplier, likely due to its high-quality precision tools and strong industry reputation.
- The dominance suggests **strong trade relations** and reliance on American technology in jewellery manufacturing.

#### China's Strong Presence (28%)

- China's cost-effective manufacturing and large-scale production contribute to its significant share.
- Chinese tools may be preferred for affordability and availability, making them competitive against Western suppliers.

#### Germany's High-Quality Tools (17%)

- Germany is known for engineering excellence and high-quality machinery.
- Importers may prefer German tools for durability, efficiency, and technological advancements.

#### Singapore's Role as a Trade Hub (11%)

- Singapore serves as a re-export hub, meaning jewellery tools from other countries (such as Japan or South Korea) may be routed through Singapore.
- The country's strong logistics and trade infrastructure support its role in this market.

#### Netherlands (10%) – Niche but Important

- The Netherlands likely provides specialized jewellery tools, potentially catering to luxury jewellery manufacturers.
- The share may also indicate European distribution centres playing a role in India's imports.

### 3. Industry Implications

#### USA & China Are Key Players:

- Together, the USA and China account for 62% of jewellery tool imports.
- Companies should focus on negotiating better trade agreements with these two nations.

#### Quality vs. Cost Considerations:

- Germany & USA dominate the high-end segment, where quality matters more than price.

- China & Singapore cater to cost-sensitive segments, providing affordability and volume.

#### **Diversification in Sourcing:**

- The presence of multiple European suppliers (Germany, Netherlands) indicates that Indian jewellery manufacturers are not entirely dependent on a single source.
- This diversification helps mitigate risks related to trade restrictions or supply chain disruptions.

### **4. Future Outlook & Recommendations**

#### **Increasing Dependence on China & USA:**

- If current trends continue, Indian businesses may need to balance cost and quality between the two major suppliers.
- Companies should monitor tariff policies and trade agreements with both countries to manage procurement costs.

#### **Opportunities for Local Manufacturing:**

- India can reduce reliance on imports by investing in domestic production of jewellery tools.
- The "Make in India" initiative could encourage local manufacturing and technology transfer from leading countries.

#### **Exploring Alternative Suppliers:**

- Indian importers may benefit from exploring Japanese or South Korean suppliers for advanced jewellery tools.
- Strengthening trade relations with emerging markets could help mitigate risks of over-dependence on a few countries.

### **5. Conclusion**

- The USA and China dominate the market, collectively accounting for 62% of India's jewellery tool imports.
- Germany, Singapore, and the Netherlands contribute smaller but important shares in the import market.
- India should explore domestic production while maintaining a diverse supplier base to ensure stable and cost-effective sourcing.

## **Growth Forecast: Dental Industry**

The global dental market was valued at **USD 36.32 billion in 2021** and is expected to grow to **USD 63.93 billion by 2029**, registering a **compound annual growth rate (CAGR) of 7.4%** during the forecast period. India, with its large population base, rising health awareness, and increasing investment in oral care infrastructure, is positioned to emerge as one of the **largest standalone markets for international dental products, tools, and materials**.

#### **1) Increased Patient Volume → Higher Tool Utilization**

As India's dental market grows, the number of patient visits for dental check-ups, procedures, and cosmetic treatments is expected to surge. This will naturally lead to higher usage of diagnostic, surgical, and hygiene tools. Example: More patients opting for root canal treatments will increase the demand for endodontic tools like rotary files, apex locators, and obturation devices.

#### **2) Rising Demand for Advanced Technology → Shift Toward Digital Tools**

With the rise of tech-driven dentistry and global influence, Indian dental clinics are rapidly adopting digital tools such as intraoral scanners, CAD/CAM systems, and digital radiography units. Example: Aesthetic and prosthetic dental treatments are driving demand for 3D scanners and milling machines that can create custom crowns or veneers in a single visit (single-day dentistry).

#### **3) Expanding Dental Chains and Corporate Clinics → Bulk Procurement of Tools**

The proliferation of corporate dental chains (e.g., Clove Dental, Sabka Dentist) leads to standardized tool procurement in large volumes to equip multiple clinics with the same technology and instruments. Example: A chain opening 50 new clinics in a year might place bulk orders for dental chairs, ultrasonic scalers, LED curing lights, and sterilization units, boosting demand for mid-range and high-end tools.

#### **4) Increased Investment in Rural and Tier-2/Tier-3 Markets → Demand for Affordable Tools**

As the government and private players expand access to dental care in underserved regions, there will be rising demand for cost-effective, durable tools suitable for basic procedures. Example: Mobile dental vans operating in rural areas may require portable X-ray units, basic extraction kits, and battery-operated handpieces, creating a niche market for compact and economical tools.



**5) Medical Tourism and Cosmetic Dentistry → Demand for Premium Tools**

India is a growing destination for dental tourism, especially for cosmetic procedures like implants, veneers, and whitening. To meet international expectations, clinics are upgrading to premium-grade tools and equipment. Example: A dental tourism clinic serving international clients might invest in piezoelectric surgical units, laser tools, and high-end implant systems from global brands.

**6) "Make in India" and Local Manufacturing Growth → Import Substitution Opportunities**

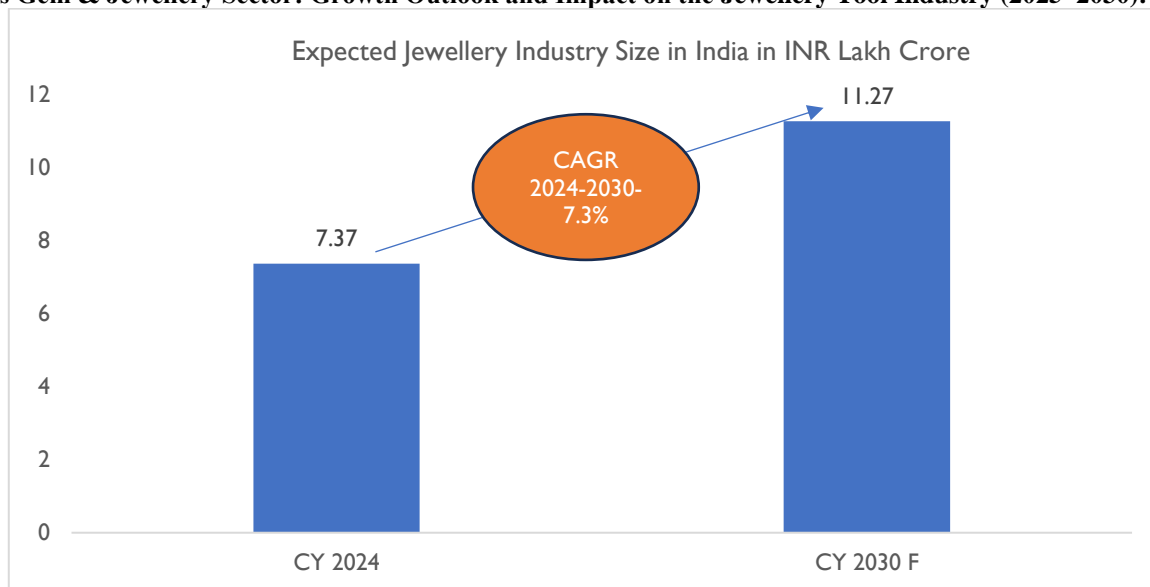
Currently, India imports many high-end dental tools from countries like Germany, the US, and China. However, with growing demand and supportive policies under "Make in India", domestic manufacturing is gaining traction. Example: Indian startups are beginning to produce LED curing lights, ergonomic dental chairs, and basic implant kits, reducing reliance on imports and making tools more affordable for small clinics.

**7) Regulations and Quality Standards → Push for Certified Tools**

As the market grows, there will be more scrutiny on quality and safety standards of dental tools, encouraging demand for ISO/CE-certified instruments and discouraging the use of low-quality or counterfeit products. Example: Clinics seeking NABH accreditation must use certified tools, increasing the need for regulatory-compliant manufacturers and distributors.

Growth Forecast: Jewellery Industry

**India's Gem & Jewellery Sector: Growth Outlook and Impact on the Jewellery Tool Industry (2025–2030):**



Source: Gem & Jewellery Export Promotion Council (GJEPC)

India's gem and jewellery industry, currently valued at approximately ₹7.37 lakh crore (US\$ 85 billion), is poised for significant growth, with projections estimating a market size of ₹11.27 lakh crore (US\$ 130 billion) by the year 2030. This forecast, backed by the Gem & Jewellery Export Promotion Council (GJEPC), reflects India's growing influence in the global jewellery trade, driven by rising exports, technological integration, and strategic collaborations.

To catalyze this expansion, GJEPC has launched multiple initiatives focused on promoting Indian jewellery in global markets, streamlining export processes, and strengthening domestic manufacturing clusters.

**Key Initiatives and Their Strategic Impact:**

**1) Global Diamond Promotion & the Launch of INDRA**

In a major push to increase international demand for Indian diamonds, GJEPC allocated ₹150 crore (US\$ 17.3 million) towards global promotional activities. On January 7, 2025, GJEPC signed an MoU with De Beers Group to establish the Indian Natural Diamond Retailer Alliance (INDRA). This initiative is designed to equip independent Indian retailers with AI-powered marketing tools and customization platforms, enabling more precise consumer targeting and better engagement.

→ Impact on Jewellery Tool Industry:

The introduction of AI-driven marketing and personalization will spark a surge in digital transformation within retail and manufacturing. Retailers and manufacturers will increasingly adopt 3D CAD/CAM design tools, virtual prototyping platforms, and automated stone-setting machinery. This will boost demand for digitally enabled design and customization tools across the country, setting new industry benchmarks.

## **2) International Exhibition in Saudi Arabia (Sept 2025)**

As part of its global outreach efforts, GJEPC is organizing a major jewellery exhibition in Saudi Arabia to strengthen trade relations with Gulf Cooperation Council (GCC) countries—key markets for Indian gems and jewellery.

→ Impact on Jewellery Tool Industry:

Exposure to international markets will push Indian jewellers to meet higher global standards in craftsmanship, quality, and finishing. This will lead to widespread upgrades in tools and technologies, such as precision casting equipment, laser engraving machines, and high-efficiency polishing tools. Manufacturers will increasingly invest in tools that enable them to produce export-grade jewellery with international compliance.

## **3) Logistics Optimization with DHL Express**

To ease the movement of jewellery exports, GJEPC signed an MoU with DHL Express, focusing on simplifying global shipping and logistics processes. This partnership will particularly benefit small and mid-sized manufacturers by reducing export bottlenecks.

→ Impact on Jewellery Tool Industry:

Improved logistics and reduced entry barriers will encourage more SMEs to explore international markets. As a result, there will be a growing demand for compact, export-optimized jewellery-making tools such as vacuum casting machines, mini melting units, and modular toolkits designed for small-batch yet high-quality production.

## **4) Singur – India’s Emerging Jewellery Hub**

On the domestic front, GJEPC is developing Singur (West Bengal) into a dedicated hub for fashion and costume jewellery exports. With a large artisan base — including over 20% women workers — and strategic proximity to Kolkata International Airport, Singur is expected to become a central point for large-scale production and export of affordable jewellery.

→ Impact on Jewellery Tool Industry:

This transformation will generate substantial demand for affordable, mass-production tools tailored to fashion jewellery, including plating machines, stamping dies, wax injectors, and ergonomic hand tools. Tool manufacturers will find immense growth potential in supporting this production ecosystem, particularly in creating tools suited for artisan-scale but export-ready manufacturing.

## **5) Stable Geopolitical Climate & Export Opportunities**

With geopolitical conditions becoming more stable—particularly under consistent global leadership like that of the U.S.—India’s jewellery exports are likely to see sustained growth in the coming years.

→ Impact on Jewellery Tool Industry:

As export orders rise and turnaround time becomes crucial, there will be increased investment in automated manufacturing processes. The jewellery tool sector will see demand for robotic polishing arms, CNC cutting systems, and AI-enabled quality inspection tools that improve efficiency, accuracy, and scale of production.

## **Threats & Challenges**



## Competitive Landscape

India's jewellery tool sector is evolving rapidly, featuring a blend of long-established toolmakers and new entrants offering advanced, tech-driven solutions. The industry caters to a diverse customer base—from individual artisans to large-scale manufacturers and exporters. With growing demand for high-precision tools, there is a visible shift toward automated and digital tool systems. Key hubs such as Surat, Jaipur, and Singur have become centres of competitive activity, where suppliers compete on quality, pricing, and innovation. Companies that offer comprehensive support services like tool maintenance, user training, and software integration are gaining a strong foothold. The influx of global players through partnerships and direct imports is further intensifying competition, particularly in the premium equipment segment.

In the dental tool market, competition is driven by the rising number of dental clinics, hospitals, and educational institutions. India hosts a mix of international brands and domestic manufacturers. Global companies—mainly from Germany, Japan, and the USA—dominate the high-end segment with technologically advanced surgical and diagnostic tools. Meanwhile, Indian manufacturers are becoming increasingly competitive in the affordable and mid-range segments, offering reliable tools at lower costs. The growth of cosmetic dentistry and government support for local manufacturing under the 'Make in India' initiative are boosting market dynamics. To stay competitive, manufacturers focus on factors like tool durability, ergonomic design, sterilization standards, and affordability, aiming to meet the evolving needs of both urban and semi-urban healthcare providers.

## Key Factors Shaping Competition

### ❖ Import Dependency vs. Local Manufacturing Push:

Many high-end dental and jewellery tools are still imported, especially from Germany, Japan, China, and the USA. However, the Indian government's push for "Make in India" and higher import duties on certain goods have created space for local players to rise.

**Example:** While precision dental lasers are largely imported, Indian firms have started manufacturing affordable alternatives, gaining market share among cost-sensitive buyers. Similarly, jewellery manufacturers are increasingly sourcing tools locally to reduce costs and dependence on volatile foreign supply chains.

### ❖ Export Market Access and Compliance:

To compete globally, Indian tool manufacturers must meet international certifications and tailor products to diverse regulatory needs. Those that align their processes with export-friendly standards open up access to lucrative markets in the Middle East, Europe, and Southeast Asia.

**Example:** A jewellery tool company in India exporting to the UAE must meet specific GCC standards for safety and quality. Dental tool exporters targeting Europe need CE marking, which not only builds trust but also improves competitiveness in domestic premium segments.

### ❖ Compliance with Global Standards

Companies that align with international quality standards (such as **ISO**, **FDA**, or **CE**) are more competitive in export markets and with premium buyers.

**Example:** Jewellery tool manufacturers who comply with **European safety standards** are preferred by export-focused manufacturers in cities like **Surat** and **Mumbai**.

### ❖ Technological Advancement

The growing adoption of automation and digital tools is a major differentiator. Companies offering **CAD/CAM design systems**, **3D printers**, or **AI-powered diagnostic tools** are gaining a competitive edge.

**Example:** In jewellery, firms using 3D printing for wax models offer faster production and customization. In dentistry, brands offering **digital intraoral scanners** are outpacing manual impression systems.

### ❖ Cost Competitiveness

Price sensitivity in India pushes companies to deliver high-quality tools at affordable rates. Domestic manufacturers often compete by offering similar functionality at lower prices than international brands.

**Example:** Indian dental tool brands like **API** or **Unicorn Denmart** offer sterilizers and handpieces at significantly lower costs than imported tools from **W&H** or **NSK**.

## 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 18 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 26, 192 and 225, 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 Statements included in this Draft Red Herring Prospectus. For further information, see “Restated Financial Statements” beginning on page 192 of this Draft Red Herring Prospectus. Unless the context otherwise requires, in this section, references to “we”, “us”, “our”, “our Company” or “the Company”, refers to ARC Distributors (I) Limited. Unless otherwise indicated, all financial, operational, industry and other related information derived from the D&B Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### OVERVIEW

ARC Distributors (I) Limited was originally incorporated as ADF Overseas Private Limited on April 2, 2008, under the Companies Act, 1956 in Mumbai, Maharashtra. The name was changed to ARC Distributors (I) Private Limited on October 24, 2011, following a shareholder resolution. Subsequently, on July 31, 2024, the Company was converted into a Public Limited Company and renamed ARC Distributors (I) Limited.

Our Company is a distributor of imported products, focusing on three key categories: Jewellery Equipments, Dental Equipments, and Dietary Supplements. We import and distribute jewellery manufacturing equipments, dental equipment, and dietary supplements in the domestic market. Currently, our products are distributed across 15 states and union territories in India.

Our Jewellery Equipment segment offers a range of equipments, tools, and consumables used in the manufacturing of studded diamonds, gold, and fashion jewellery. We have relationship with manufacturers in Germany, Spain, Italy and Switzerland, for importing steel and carbide burs, cutters, diamond instruments, polishers, ceramic abrasers, and other essential tools & equipments used for jewellery making. We operate a distribution network for jewellery equipment through our network of dealers, while also catering directly to customers, including jewellery manufacturers located in Special Economic Zones (SEZs).

Our Dental Equipment category includes carbide burs used in dental laboratories, investment powders for casting dentures, crowns, bridges, and dental polishers for polishing dental restorations. We import these products from Europe and supply them through network of dealers and directly to dental laboratories across India.

We also import and distribute Dietary Supplements, which include whey proteins, amino acids, creatine, glutamine, and other products, primarily sourced from the USA. These products are sold through network of dealers.

The nature of the three product lines and our end consumers we are catering India has ensured that our Company is insulated to an extent from industry specific volatility. The same is evident from our Revenue numbers in the stub period and last 3 years, where we have a revenue from operation of ₹ 2,415.91 Lakhs, ₹ 3,154.24 lakhs, ₹ 3,304.49 lakhs and ₹ 2,524.96 lakhs in the for the periods ended as on December 31, 2024 and financial years 2024, 2023 and 2022 respectively.

We operate two centralized distribution hub covering area aggregating to ~13000 sq. ft in Ghatkopar and Bhiwandi, Maharashtra, ensuring efficient and timely order fulfillment for our customers.

Our Promoter Devang Goradia has experience of more than 17 years in the jewellery and dental equipment industry, since the year 2007 when he started importing goods under his proprietorship firm, M/s ARC Distributors. The other Promoters, Gaurang Goradia and Vaishali Mane also have experience in the dietary supplements business through their proprietorship firms, Perfect Body Co. and Add Nutrition which have been in business since 2009 and 2017, respectively.

Devang Goradia oversees the operations, financial management, and strategic direction of our Company. He is also responsible for nurturing and maintaining key strategic partnerships with various stakeholders. Gaurang Goradia leads the

Company's sales and marketing efforts, with a strong focus on business development and client relationship management. Vaishali Mane is in charge of inventory management, procurement, and market research, ensuring that our operations run efficiently and are aligned with market trends. Vaibhav Pawar, another Director, manages sales and brand positioning, playing a key role in expanding the Company's market presence.

Our Board of Directors is further supported by experienced team. The combined expertise of our management team, coupled with their industry knowledge, positions us to effectively understand both current and future market opportunities. For further details, please refer to the chapter titled “*Our Management*” on page 167 of this Draft Red Herring Prospectus.

As on the date of filing the Draft Red Herring Prospectus, there are no subsidiaries of the Company.

## FINANCIAL KPIS

The financial performance of the Company for the period ended December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 as per Restated Financial Statement are as follows:

(₹ in Lakh, except percentages and ratios)

Particulars	For the Period ended December 31, 2024	FY 2023-24	FY 2022-23	FY 2021-22
<b>Revenue from Operations</b> (₹ in Lakh) <sup>(1)</sup>	2,415.91	3,154.24	3,304.49	2,524.96
<b>Total Income</b> (₹ in Lakh)	2,912.30	3929.04	3492.38	2737.52
<b>EBITDA</b> (₹ in Lakh) <sup>(2)</sup>	441.02	290.10	68.86	139.53
<b>EBITDA Margin</b> (%) <sup>(3)</sup>	18.25	9.20	2.08	5.53
<b>Profit After Tax</b> (₹ in Lakh) <sup>(4)</sup>	438.31	895.33	118.11	(146.42)
<b>Net profit ratio</b> (%) <sup>(5)</sup>	18.14	28.38	3.57	(5.80)
<b>RoE</b> (%) <sup>(6)</sup>	33.09	136.14	78.26	(86.79)
<b>Debt To Equity Ratio</b> <sup>(7)</sup>	-	-	-	0.01
<b>RoCE</b> (%) <sup>(8)</sup>	40.37	93.44	84.00	(125.82)
<b>Current Ratio</b> <sup>(9)</sup>	1.84	1.53	1.07	1.03
<b>Net Capital Turnover Ratio</b> <sup>(10)</sup>	1.94	5.32	33.58	(21.69)

As certified by M/s R H D B & Co LLP, Chartered Accountants pursuant to their certificate dated April 26, 2024. The Audit committee in its resolution dated April 26, 2025 has confirmed that the Company has not disclosed any KPIS to any investors at any point of time during the three years preceding the date of this Draft Red Herring Prospectus other than as disclosed in this section.

- 1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- 2) EBITDA refers to earnings before interest, taxes, depreciation, amortisation, gain or loss from discontinued operations, diminution in value of investments, loss from speculation and derivative trading and exceptional items. EBITDA excludes other income but includes foreign exchange gain and Balances written back.
- 3) EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.
- 4) Profit After Tax provides information regarding the overall profitability of the business/company.
- 5) Net Profit Ratio quantifies our efficiency in generating profits from revenue from operations and is calculated by dividing net profit after taxes but before other comprehensive income by revenue from operations.
- 6) Return on equity (RoE) is equal to Net profit after taxes divided by average shareholder's equity excluding preference share capital.
- 7) Debt to equity ratio is calculated by dividing Total debt by Shareholder's Equity (excluding preference share capital) and where total debt refers to sum of current & non-current borrowings including preference share capital.
- 8) RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by sum of total equity, non-current borrowings and current borrowings as at the year end.
- 9) Current Ratio is a liquidity ratio that measures our ability to pay off its short-term obligations (those which are due within one year) using its current assets (those which are convertible to cash within one year) and is calculated by dividing the current assets by current liabilities.
- 10) Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations by our average working capital (i.e., current assets less current liabilities)

See “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on page on page 225 for the reconciliation and the manner of calculation of our key financial performance indicators.

Break-up of the top 10 suppliers of our Company for the period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 are as follows:

(₹ in Lakh, except percentages)

Particulars	For the Period ended December 31, 2024		FY 2023-24		FY 2022-23		FY 2021-22	
	Amount	% of total Purchase#	Amount	% of total Purchase#	Amount	% of total Purchase#	Amount	% of total Purchase#
Top - 1	1,009.39	63.96%	2,033.54	72.97%	1,578.13	57.12%	1,499.96	68.91%
Top - 3	1,276.75	80.91%	2,360.82	84.72%	2,096.80	75.89%	1,772.18	81.41%
Top - 5	1,374.66	87.11%	2,497.63	89.62%	2,304.96	84.43%	1,931.44	88.73%
Top - 10	1,493.87	94.67%	2,662.80	95.55 %	2,559.35	92.64%	2,122.50	97.51%

# as a percentage of total purchases from Restated Financial Statements

Break-up of the top 10 customers of our Company for the period ended December 31, 2024, Fiscal 2024, Fiscal 2023 and Fiscal 2022 are as follows:

(₹ in Lakh, except percentages)

Particulars	For the Period ended December 31, 2024		FY 2023-24		FY 2022-23		FY 2021-22	
	Amount^	% of total revenue#	Amount^	% of total revenue#	Amount^	% of total revenue#	Amount^	% of total revenue#
Top – 1	273.86	11.35%	348.56	11.06%	293.53	8.89%	214.50	8.50%
Top – 3	488.94	20.26%	710.57	22.55%	630.79	19.10%	598.62	23.72%
Top – 5	629.50	26.09%	926.17	29.40%	872.23	26.41%	787.95	31.22%
Top - 10	890.50	36.91%	1,211.72	38.46%	1,285.87	38.93%	1,073.37	42.53%

^ as a amount of revenue of Sale of products from Restated Financial Statements

# as a percentage of revenue of Sale of products from Restated Financial Statements

## REVENUE MODEL

1. Following is our revenue from operations on the basis of geographical market:

(₹ In Lakh, except percentage)

Particulars	For the Period ended December 31, 2024		FY 2023-24		FY 2022-23		FY 2021-22	
	Amount^	% of total revenue#	Amount^	% of total revenue#	Amount^	% of total revenue#	Amount^	% of total revenue#
Maharashtra	1,405.22	58.24%	2,078.28	65.96%	2,219.15	67.18%	1,785.71	70.75%
Gujarat	686.09	28.43%	695.98	22.09%	721.83	21.85%	528.94	20.96%
Tamil Nadu	97.63	4.05%	112.80	3.58%	105.90	3.21%	68.39	2.71%
Rajasthan	86.97	3.60%	105.48	3.35%	158.99	4.81%	99.77	3.95%
West Bengal	23.68	0.98%	40.49	1.28%	45.44	1.38%	14.74	0.58%
Delhi	25.19	1.04%	43.91	1.39%	25.36	0.77%	5.98	0.24%
Karnataka	20.41	0.85%	31.88	1.01%	9.30	0.28%	12.06	0.48%
Kerala	29.35	1.22%	18.63	0.59%	4.59	0.14%	4.93	0.20%
Haryana	4.43	0.18%	6.70	0.21%	-	-	0.19	0.01%
Punjab	4.68	0.19%	3.19	0.10%	-	-	1.28	0.05%
Telangana	7.75	0.32%	2.85	0.09	3.62	0.11%	-	-
Jammu & Kashmir	1.36	0.06%	1.60	0.05	0.39	0.01%	-	-
Odisha	0.04	0.00%	1.35	0.04%	-	-	0.18	0.01%
Chandigarh	-	-	1.76	0.06%	-	-	-	-
Andhra Pradesh	-	-	0.73	0.02%	0.70	0.02%	0.31	0.01%
Uttar Pradesh	0.40	0.02%	0.03	0.00%	6.50	0.20%	1.34	0.05%
Goa	-	-	-	-	0.55	0.02%	-	-
Assam	-	-	-	-	0.23	0.01%	-	-

Madhya Pradesh	-	-	-	-	0.59	0.02%	-	-
Bihar	-	-	0.06	0.00%	-	-	-	-
<b>Total</b>	<b>2,412.83</b>	<b>100.00%</b>	<b>3,150.73</b>	<b>100.00%</b>	<b>3,303.14</b>	<b>100.00%</b>	<b>2,523.81</b>	<b>100%</b>

<sup>^</sup> as a amount of revenue of Sale of products from Restated Financial Statements



<sup>#</sup> as a percentage of revenue of Sale of products from Restated Financial Statements

## OUR PRODUCT PORTFOLIO


The portfolio of our products is categorized into the following heads:

- Jewellery Equipment** - We offer a wide range of jewellery equipment, tools & consumables that are used Jewellery manufacturers in manufacturing of Studded Diamonds, Gold & Fashion Jewellery. The main products include steel and diamond burs which are used for cutting, shaping, and finishing precious metals and gemstones. Our collection of buffs and polishers are used to create smooth, glossy surfaces on jewellery pieces, while brushes and injection waxes are used for cleaning and casting processes. We also offer jewellery making machinery, including casting, cutting, and engraving machines.
- Dental Equipment** - Our dental equipment category includes carbide burs used in cutting, shaping, and refining dental materials such as metals and ceramics. We also offer investment powders for creating molds in the casting of dental restorations and medical alloys which are used for producing crowns and bridges. Our dental polishers are used to create smooth finishes on various dental restorations.
- Dietary Supplements** - We import and distribute whey protein supplements, amino acid products, creatinine and glutamine supplements, which are used by athletes and fitness enthusiasts.

Brief description and end usage of the various products by our Company is provided below:

Products	Description	Principal End Usage
<b>1. Jewellery Equipment</b> 	<p><b>Steel Burs and Diamond Burs:</b> We offer a range of steel and diamond burs which are designed for cutting, shaping, and finishing precious metals and gemstones. These burs are used for precision work entailed in jewellery making.</p> <p><b>Bufs and Polishers:</b> Our Company catalogue includes a wide selection of buffs and polishers to help achieve smooth, glossy surfaces on jewellery pieces. Tailored to meet the needs of professional jewelers, our range supports various polishing applications, allowing for efficient and effective finishing.</p> <p><b>Brushes and Injection Wax:</b> For delicate cleaning and finishing, we offer brushes that are essential for detailed work, along with high-quality injection waxes used in the casting process. These products are required for achieving fine details and consistent results in jewellery products.</p> <p><b>Jewellery-Making Machinery:</b> Other than tools, we also sell a variety of jewellery-making machinery, including casting, cutting, and engraving machines. These machines are designed to improve efficiency and accuracy in jewellery production.</p>	<p>Jewellery making and workshops and factories</p> <p>Jewellery making and workshops and factories</p> <p>Jewellery making and workshops and factories</p> <p>Jewellery making and workshops and factories</p>
<b>2. Dental Equipment</b> 	<p><b>Carbide Burs:</b> We offer a selection of carbide burs which are essential tools for dental laboratories. These burs are used for cutting, shaping, and refining dental materials such as metals, ceramics, and composites. Our products are designed to provide precision and durability,</p>	<p>Dental Laboratories</p>



Products	Description	Principal End Usage
 	<p>making them reliable for the creation of crowns, bridges, dentures, and other dental restorations.</p> <p><b>Investment Powders for Casting:</b> In addition to burs, our Company also imports investment powders that are key to the casting process for dental restorations. These powders are used to create molds for dentures, crowns, bridges, and other prosthetics. By ensuring a smooth, precise cast, investment powders help dental professionals achieve high-quality results and optimal fit for their patients.</p> <p><b>Medical Alloys for Crowns &amp; Bridges:</b> We also offer a range of medical alloys used in the production of crowns and bridges. These alloys are carefully selected to ensure strength, biocompatibility, and durability, meeting the rigorous demands of dental restorations. These materials provide reliable solutions for dental professionals in the creation of lasting, functional dental prosthetics.</p> <p><b>Dental Polishers:</b> Our Company also sells various dental polishers which are used for polishing crowns, bridges, and other dental restorations. Manufactured with the latest technology, these tools are designed to achieve optimal surface finishes, ensuring smooth, shiny results.</p>	<p>Dental Care professionals</p> <p>Dental Laboratories</p> <p>Dental Care professionals</p>
<p><b>3. Dietary Supplements</b></p> 	<p><b>Whey Proteins:</b> Our Company sells a variety of high-quality whey protein supplements designed to support muscle growth, recovery, and overall fitness goals. Sourced from reputable manufacturers, these protein powders are formulated with premium ingredients to ensure optimal nutrition and effectiveness. These protein supplements can be used for post-workout recovery and as part of a balanced diet, to meet the needs of athletes and fitness enthusiasts.</p> <p><b>Amino Acids:</b> In addition to whey proteins, we also provide a selection of amino acid supplements that play a crucial role in muscle recovery and performance enhancement. These supplements are formulated to deliver essential amino acids that support protein synthesis, reduce muscle breakdown, and improve endurance. These are designed to help athletes maximize their training results and maintain peak physical performance.</p> <p><b>Creatine:</b></p>	<p>Athletes, fitness enthusiasts</p> <p>Athletes</p> <p>Athletes</p>

Products	Description	Principal End Usage
	<p>Creatine is another key supplement in our dietary supplements range, which is used for its ability to enhance strength, power, and muscle mass. Formulated with high-quality creatine, these products help athletes increase their workout intensity and improve overall performance. These can be used for strength training, high-intensity workouts, and endurance sports to support athletes in achieving their fitness goals.</p> <p>Glutamine and Other Supplements: We also offer glutamine and other performance-enhancing supplements, formulated to support muscle recovery, immune function, and overall wellness. Glutamine, in particular, is used for its ability to reduce muscle soreness and aid in recovery after intense training. With a focus on premium ingredients and efficacy, our range of dietary supplement products is designed to help individuals optimize their physical performance and maintain a healthy, active lifestyle.</p>	Athletes, fitness enthusiasts

## OUR WAREHOUSING FACILITIES

We operate two centralized distribution hub (warehouses) covering area aggregating to ~13000 sq. ft in Ghatkopar and Bhiwandi, Maharashtra, which cater to our Dealers and Customers pan-India ensuring efficient and timely order fulfillment. The warehouses have been strategically located to ensure that we are able to supply our customers in a timely and efficient manner. Our warehouses have an inventory management software for tracking and monitoring of stock levels, to ensure the availability of high demand products.



(Warehouse -Bhiwandi)



(Warehouse -Ghatkopar)

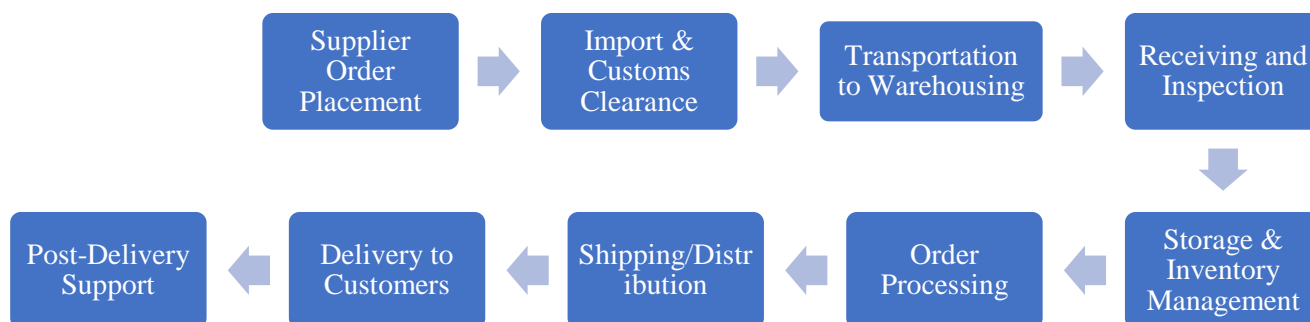
## PLANT AND MACHINERY

Not applicable since we do not manufacture any products as on the date of this Draft Red Herring Prospectus.

## CAPACITY AND CAPACITY UTILIZATION

Not applicable since we do not manufacture any products as on the date of this Draft Red Herring Prospectus.

## KEY BUSINESS PROCESS



#### **Supplier Order Placement:**

The company places orders with both international and local suppliers for Jewellery Equipment, Dental Equipment and Dietary Supplements, focusing on sourcing high-quality products to meet customer demands.

#### **Import & Customs Clearance:**

Once the goods are shipped via air, they arrive at the port of entry, where customs clearance procedures are completed, including paying tariffs and inspections to ensure compliance with import regulations.

#### **Transportation to Warehousing:**

After customs clearance, the products are swiftly transported by road to our warehousing facilities, ensuring quick turnaround times and efficient handling of goods.

#### **Receiving and Inspection:**

Upon arrival at the warehouse, the products are carefully received and inspected for quality and accuracy, ensuring they match the order specifications and are free from defects.

#### **Storage & Inventory Management:**

The products are stored in the warehouse under appropriate conditions and logged into the inventory management system for easy tracking and efficient stock management.

#### **Order Processing:**

When customers or dealers place orders, the warehouse team picks, packs, and prepares the items for shipment, ensuring the correct products are selected and ready for delivery.

#### **Shipping/Distribution:**

Orders are dispatched via various third-party logistics providers based on customer preferences, including trucks, railways or courier services, ensuring prompt and reliable delivery. Customers are responsible for making payment directly to the delivery agency or partner.

#### **Delivery to Customers:**

We prioritize timely and reliable delivery of all customer orders. Our logistics process is streamlined to ensure prompt dispatch and efficient arrival, minimizing delays and enhancing customer satisfaction. We work with trusted delivery partners and maintain real-time tracking systems to monitor shipments and provide updates. Our team also ensures that all packaging is secure and optimized to protect the products during transit.

#### **Post-Delivery Support:**

We also provide after-sales support to address any product issues, manage returns or replacements, and ensure overall customer satisfaction with the products.

This flow helps the Company in maintaining a streamlined and efficient process from importing goods to delivering them to end customers.

## **INVENTORY MANAGEMENT**

Efficient inventory management is essential for our Company as each product category has unique inventory requirements due to varying demand cycles, storage conditions, and regulatory considerations. We utilize an inventory management software to maintain a structured system that ensures product availability while minimizing storage costs.

We use the following inventory management techniques for efficient management of our inventories:

- a) Demand Forecasting and Analysis – This includes utilizing historical sales data, market trends, and seasonal insights to predict demand.
- b) Warehouse Optimization – The warehouses are organized with dedicated zones for each product category and barcode/RFID systems are used for real-time tracking.
- c) Batch Tracking - Each batch of products is assigned a distinct batch number to track the product's movement through the supply chain.
- d) Just-In-Time (JIT) inventory is used for slow-moving, specialized items to reduce holding costs.
- e) Economic Order Quantity (EOQ) is used for bulk purchases of fast-moving items to optimize ordering and minimize costs.

Our inventory management and invoicing process is streamlined and tailored for imports from overseas suppliers. Goods are received at designated warehouses upon their arrival in India. The warehouse in-charge prepares a receipt report, which includes checks for damages and discrepancies, and shares it with the accounts team and management. Imported goods are matched against purchase orders, and any inconsistencies or damages are addressed through debit notes.

Once the goods are shipped, warehouse personnel report the dispatch details, which the accounts team reconciles with sales orders. Invoices are finalized and sent to customers, and follow-ups are conducted for statutory compliance. The accounts team also manages reminders and credit limits for customers, ensuring efficient revenue tracking.

Our comprehensive inventory management system, combined with efficient techniques such as demand forecasting, warehouse optimization, and just-in-time inventory, ensures that we maintain product availability while minimizing costs. Our streamlined process for managing imports, invoicing, and compliance further supports our commitment to providing reliable and cost-effective solutions for our customers.

## **TECHNOLOGY USED IN INVENTORY MANAGEMENT**

Our Company is committed to integrating technologies that enhance efficiency and accuracy in the inventory management and streamline our operations. We have invested in a robust Inventory Management Software (IMS) that enables real-time stock monitoring, order tracking, and demand forecasting.

The IMS system provides automatic stock updates, ensuring product availability and minimizing stockouts or overstocking. The following processes have been automated via the IMS which helps to streamline our inventory:

1. Purchase Order (PO) Creation - Auto-generation of POs based on approved import requests.
2. Tax Compliance and Calculation - Automated calculation of GST, CIF charges, and other applicable taxes for imported goods.
3. Goods Receipt Entry (GRN) - Entry of received goods and inventory updates based on warehouse reports.
4. Currency Adjustments - Automatic conversion and management of foreign currency transactions for imports.
5. Approval Notifications - Auto-generated notifications for required approvals at different stages of the workflow.
6. Sales Order (SO) Processing - Creation and release of sales orders, including compliance checks for customer credit limits and payment terms.
7. Dispatch and Shipment Updates - Auto-generation of dispatch and shipment reports sent to relevant stakeholders via email.
8. Invoice Generation - Automatic creation of final invoices post-GRN and shipment confirmation.
9. Reminders and Credit Limit Tracking - Automated reminders for due payments and monitoring of customer credit limits.
10. Ledger Updates and Knock-Off Entries - Automatic posting of receipt entries against outstanding balances in customer ledgers.
11. Periodic Reporting - Auto-generation of reports for accounts receivable, pending approvals, and disputed accounts.

12. Error Reporting and Reopening Rights - Flagging of errors in entries and restriction of reopening rights to management users.

These automated processes ensure efficiency, reduce manual errors, and maintain compliance with accounting and tax regulations.

## **LOGISTICS**

Our imported products arrive through both air and sea freight, with necessary customs clearance procedures completed upon arrival at the respective ports of entry. This process includes payment of applicable tariffs and regulatory inspections to ensure compliance with import requirements. We do not maintain direct agreements with transporters for the import of goods; instead, our suppliers manage logistics through their own partners, who handle transportation and delivery up to the customs clearance stage.

Once the products clear customs, they are transported to our warehouse facilities by road, where they are received and thoroughly inspected for quality and accuracy. We use local transporters on need basis and do not have any formal agreements for the same. Each shipment is checked against the order to ensure there are no discrepancies, and products are logged into our inventory management system.

For customer deliveries, products are dispatched from our warehouse through various transport methods, including trucks, railways, or other logistics providers, based on customer preferences. We do not have direct agreements with transporters; instead, products are shipped via third-party logistics companies that ensure reliable and timely delivery. Customers are responsible for making payments directly to the chosen delivery agency or partner, ensuring a seamless and efficient shipping process.

## **STRENGTHS**

### ***1. High Quality Products from European and American Suppliers***

Our Company has partnered with suppliers from Germany, Switzerland, Spain and Italy for sourcing the Jewellery equipment and Dental equipment category products. Also, the Dietary Supplements are sourced from the manufactures in United Kingdom and USA from established manufacturers. Our partnership with these suppliers has ensured that our products have superior manufacturing standards, and more rigorous quality control processes as compared to those produced in India and elsewhere. Also, the Company is able to leverage the established reputation of the suppliers and their brands to increase our market share.

### ***2. Long Standing Association with Suppliers***

We have been associated with our main German supplier for Jewellery equipment, M/s Hager and Meisinger GMBH, since 2010 and we have now entered into an exclusive contract for supply in India dated February 03, 2025. Other key suppliers have also been associated with us for over a decade. Our relationship with our suppliers is one of our core strengths and we can leverage this to ensure better control on pricing, timely deliveries, and adherence to standards, thereby enhancing our operational efficiency. The relationships with suppliers also brings in stability in the Company's operations, which enables the management to plan with long-term vision and also to respond swiftly to market demands.

### ***3. Extensive Distribution Network***

Our distribution network spans over 15 states across India; however, a significant portion of our revenue is generated from just two key markets—Maharashtra and Gujarat. In addition to sales through our dealer network, we also cater directly to select large customers, including those located in Special Economic Zones (SEZs). This distribution network enables us to serve a broad customer base and ensures timely product availability, thereby strengthening our customer relationships and enhancing overall satisfaction.

### ***4. Diverse Product Portfolio***

Our Company is present in three diverse industries, i.e. Jewellery Equipment, Dental Equipment and Dietary Supplements . Our Company is insulated to an extent from industry specific volatility. The same is evident from our Revenue numbers in

the stub period and last 3 years, where we have a revenue from operation of ₹ 2,415.91 Lakhs, ₹ 3,154.24 lakhs, ₹ 3,304.49 lakhs and ₹ 2,524.96 lakhs in the for the periods ended as on December 31, 2024 and financial years 2023-24, 2022-23 and 2021-22 respectively.

### ***5. Market Knowledge and Industry Expertise***

Our Promoter Devang Goradia started importing and distributing Jewellery tools and equipment in his proprietorship firm in 2007. He has experience of more than 17 years in the jewellery tools and dental tools industry. Our other Promoters, Gaurang Goradia and Vaishali Mane have experience of almost 16 years and 7 years respectively in the dietary supplements industry, as they have been distributing these products under that proprietorship firm since 2009 and 2017 respectively. Our Company has benefited from our Promoters' in-depth understanding of market trends, customer preferences, and regulatory requirements, which has helped us to build better relationships with our customers as well as suppliers.

## **STRATEGIES**

### ***1. Backward Integration***

Our Company plans to start manufacturing of certain products that we are currently importing and distributing, including steel burs used for diamond jewellery, electroplating solutions, a proprietary blend of whey protein, and other dietary supplements. By producing these products in-house, we aim to reduce dependency on external suppliers, mitigate supply chain disruptions, and lower production costs through economies of scale. This will kept us improve our profit margins by eliminating import duties, shipping costs, and third-party markups. The long process of obtaining clearances for imports will also be avoided, enhancing overall operational and financial efficiency.

### ***2. Starting exports to other countries***

We plan to foray into the export segment, with a focus on emerging markets such as Africa, the Middle East, and Latin America. To effectively enter these regions, we intend to collaborate with local distributors and wholesalers who are well-versed in their respective markets. This will provide us with a first-mover advantage and help capture early market share. These collaborations will assist in navigating regulatory approvals and compliance requirements in unfamiliar territories

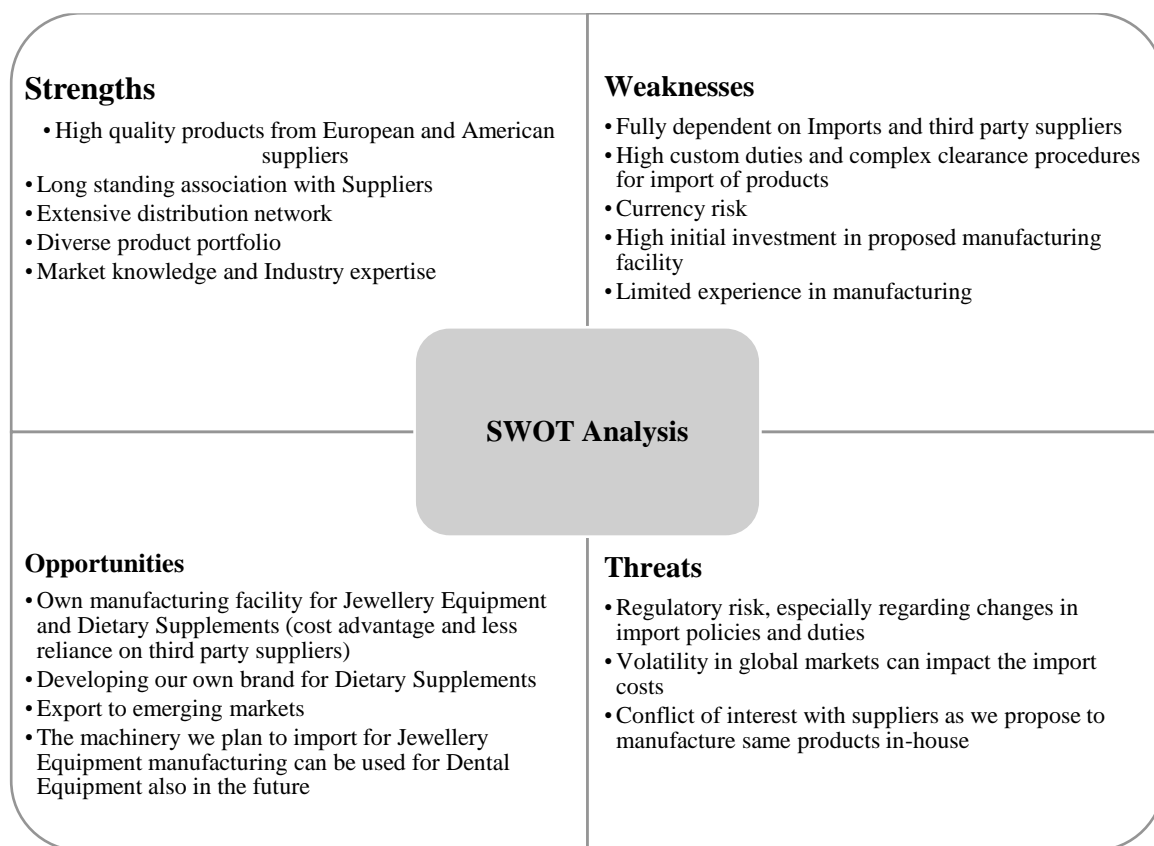
### ***3. Improving Operational Efficiencies***

Our Company aims to enhance operational efficiency in order to drive cost reductions and strengthen our competitive positioning. Key enablers for this improvement include a stronger domestic presence, backward integration, and achieving economies of scale through increased production volumes. By expanding our product portfolio and deepening our penetration in existing markets, we intend to tap into new catchment areas within these regions, thereby maximizing the utilization of our existing infrastructure and distribution network.

### ***4. Strategic Partnerships & Alliances***

Our Company intends to enter into strategic and technological partnerships with industry experts and specialized formulation providers for the manufacturing of dietary supplements and other specialized products. These collaborations will allow us to leverage advanced formulations, technical know-how, and quality assurance processes to produce high-performance products. The partnerships will support faster product development, ensure regulatory compliance, and enhance our credibility in competitive markets.

## **SWOT ANALYSIS**



## HUMAN RESOURCE

As of February 28, 2025, we have a workforce of 27 personnel, which includes personnel engaged in Management, Sales & Marketing, Purchase & Procurement, Packing & Dispatch, Logistics, Administration, Finance, Human Resources, Legal and Compliance and Support Staff. Our employees are not unionized into any labour or workers' unions and have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years.

The following table sets forth a breakdown of our employees by department:

Department / Function	No. of Personnel
Board of Directors (excluding Non-Executive Directors)	2
Sales & Marketing Department	5
Purchase & Procurement Department	2
Packing & Dispatch Department	6
Logistics	3
Finance Department	4
Legal and Compliance Department	1
Manager	1
Support Staff	2
<b>Total</b>	<b>27</b>

Our Company does not employ contract labour under the Contract Labour (Regulation & Abolition) Act, 1970.

## UTILITIES

The details for the arrangement of power, internet and water are provided below:

### Power



The power requirements for our warehouses in Ghatkopar and Bhiwandi, as well as our office in Kandivali, are minimal, as there is no plant or machinery at any of these locations. We have electricity connections with Adani Electricity Mumbai Limited and Torrent Power Limited for all our premises.

#### **Internet**

We require basic internet and Wi-Fi services for our operations, for which we have secured Wi-Fi connections with Airtel and BSE Telecom Private Limited.

#### **Water**

Our operations have minimal water requirements, and we have basic water connections with the Brihanmumbai Municipal Corporation at our Ghatkopar and Kandivali premises. Drinking water is supplied in jars for the Bhiwandi warehouse.

### **BRAND BUILDING & MARKETING**

The main channel employed by our Company to increase brand awareness is through Trade Shows and Exhibitions, where we are able to engage directly with the end customers and showcase our extensive range of products. We also advertise in local newspapers to specifically target the jewellery market, helping us reach potential customers within that industry.



### **PROPOSED EXPANSION PLANS**

Our Company plans to expand through backward integration, entering into export the market. We aim to manufacture key products currently imported, such as steel burs for diamond jewellery tools, electroplating solvents and whey protein supplements. In-house production will reduce dependency on suppliers, lower costs, and improve profit margins by eliminating import duties, shipping fees, and third-party markups. It will also streamline operations by avoiding lengthy import clearances and enhance distribution within India while opening new export opportunities.

To support our growth, we plan to expand our manufacturing unit by adding new strategically located facilities. These additions will optimize delivery times, reduce logistics costs, and ensure timely fulfillment for both domestic and international customers.

These initiatives will drive growth, boost efficiency, and strengthen our market presence.

For details of the proposed expansion, please refer to the Chapter on “*Objects of the Issue*” on page 80 of the Draft Red Herring Prospectus.

### **END USERS**

Our diverse product range caters to a wide spectrum of end users across multiple industries. In the jewellery sector, our products are extensively used by jewellery manufacturers specializing in diamond-studded gold and fashion jewellery. This includes artisans, workshops, and large-scale production units that rely on precision tools such as steel and diamond burs, polishers, and specialized machinery for crafting intricate jewellery pieces. In the dental industry, our offerings support dental laboratories, clinics, and technicians who depend on carbide burs, investment powders, and medical alloys to create high-quality dental restorations. Furthermore, our dietary supplements, including whey protein, amino acids, creatinine, and glutamine, are popular among athletes, fitness enthusiasts, and health-conscious individuals aiming to enhance their nutrition and performance.



## COMPETITION

Currently, we primarily serve customers in the Indian market. While there are a limited number of direct competitors, we face competition from both domestic players and international suppliers. Our company differentiates itself through a commitment to sourcing high-quality products, ensuring timely delivery, and providing reliable after-sales service. These factors enable us to build strong customer relationships and maintain a competitive advantage in the marketplace.

## INSURANCE





The table below provides details of our current insurance policies, including coverage amounts and premiums:

Sr. No.	Name of the Insurance Company	Policy No.	Validity		Name and Description	Sum Assured (in ₹)	Total Premium (in ₹)
			From	To			
1.	The New India Assurance Company Limited	11060011248 000000577	October 14, 2024	October 13, 2025	New India Bharat Sookshma Udyam Suraksha Policy For Stock maintained at the Bhiwandi Warehouse (Address: Harihar Complex, Bldg. No. A-24, Gala No.7, Ground Flr, Near Gajanan Petrol Pump, Dapoda Road, Dapoda Village, Bhiwandi, Thane 421302)	60,00,000/-	11,139/-
2.	The New India Assurance Company Limited	11060046240 100000246	October 14, 2024	October 13, 2025	Burglary Insurance including Riot, Strike, Holdup, Robbery on Stock maintained at Bhiwandi Warehouse (Address: Harihar Complex, Building No. A-24, Gala No.7, Ground Floor, Near Gajanan Petrol Pump, Dapoda Road, Dapoda Village, Bhiwandi, Thane 421302)	60,00,000/-	6,584/-
3.	The New India Assurance Company Limited	11060011248 000001003	March 20, 2025	March 19, 2026	New India Bharat Sookshma Udyam Suraksha Policy For Stock maintained at the Ghatkopar Warehouse (Address: B-4/126, Chitranjan Colony, Rajawadi, Ghatkopar(E), Mumbai – 400077)	4,55,00,000/-	77,825/-
4.	The New India Assurance Company Limited	11060011248 000001002	March 20, 2025	March 19, 2026	New India Bharat Sookshma Udyam Suraksha Policy For Furniture & Fixtures and Stock maintained at Kandivalli office (Address: 8, ARC House, Sector-8, RSC-7, Charkop, Kandivali(W), Mumbai – 400067)	17,00,000/-	2,909/-
5.	Kotak Mahindra General Insurance	4866878500	August 26, 2024	August 25, 2025	Toyota Glanza- Vehicle Policy	5,44,690/-	8,415/-
6.	Raheja QBE General	R0201575	March 29, 2023	March 28, 2026	Mahindra Scorpio- Vehicle Policy	18,50,565/-	20,872/-

Sr. No.	Name of the Insurance Company	Policy No.	Validity		Name and Description	Sum Assured (in ₹)	Total Premium (in ₹)
			From	To			
	Insurance Co. Ltd.						
7.	Zurich Kotak General Insurance	5042062500	October 23, 2024	October 22, 2025	Kia Sonet- Vehicle Policy	10,64,387/-	12,330/-
8.	Go Digit General Insurance Ltd.	D152609381/21062024	June 27, 2024	June 26, 2025	Mercedes Benz- Vehicle Policy	29,48,253/-	81,904/-
9.	Future Generali India Insurance Co. Ltd.	C2554421	December 06, 2024	December 05, 2025	Marine insurance for import of goods.	2,50,00,000/-	11,801/-

## INTELLECTUAL PROPERTY

Our Company has applied for registration of its logo under various classes of the Trade Marks Act, 1999.

Sr. No.	Description	Temporary Reference Number/Mark/Label	Class	Applicable Laws	Issuing Authority	Date of Application
1.	Logo (Device)	12017512 	8	Trade Marks Act, 1999	Trade Mark Registry	March 01, 2025
2.	Logo (Device)	12017540 	10	Trade Marks Act, 1999	Trade Mark Registry	March 01, 2025
3.	Logo (Device)	12017424 	5	Trade Marks Act, 1999	Trade Mark Registry	March 01, 2025
4.	Logo (Device) for PerfectBody	12018387 	5	Trade Marks Act, 1999	Trade Mark Registry	March 01, 2025

## QUALITY CONTROL

Our commitment to quality remains at the core of our operations. While we are not directly engaged in manufacturing, we rely on our third-party manufacturing partners to maintain the highest quality standards. To ensure compliance and excellence, we have designated officers responsible for assessing the quality of products at every stage of the manufacturing process.

## HEALTH AND SAFETY

Our activities are subject to the health and safety laws and regulations of India, which govern, among other things, employee health and employee safety at all our premises. For information regarding applicable health and safety laws and regulations, see “*Key Industry Regulations and Policies*” on page 157 of this Draft Red Herring Prospectus.

We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. We aim to conduct our operations free from accidents and occupational hazards. We have implemented various practices at our warehousing facilities and offices to ensure the safety of all our employees. Our Company provides employees with regular sessions on safety procedures, emergency response, fire drills, and safe handling of machinery and products. We also maintain high hygiene standards by ensuring clean workspaces, well-maintained facilities, and sanitization of all areas, reducing health-related risks.

Additionally, we have well-established emergency response systems in place, including accessible first aid kits and personnel trained to respond promptly in case of accidents or health emergencies. By continuously investing in health and safety measures, we aim to create a secure and productive work environment.

## COLLABORATIONS

As of the date of this Draft Red Herring Prospectus our Company has not entered into any technical or financial collaboration agreements with third parties. However, we propose to explore and enter into technical collaborations in the future to further enhance our capabilities, particularly in areas such as technology advancements, research and development, and product innovation. These potential collaborations will be evaluated based on their alignment with our long-term growth objectives and business strategy, and may also support market expansion and financial strengthening.

## OUR PROPERTIES

### Property Owned by the Company

As on the date of filing this Draft Red Herring Prospectus our Company does not own any property.

### Properties Leased by the Company

Sr. No.	Date of the Agreement	Name of Owner	Area of the property	Address of the Property	Rent (Rs.)	Tenure	Usage
1.	January 30, 2025	Vinod Harbanslal Khetarpal	3000 Square Feet	Godown No. 7, Ground Floor, Harihar Complex, Building No. A-24 Village Dapode, Bhiwandi, Thane	45,000/- per month for first one year, then 10% increase every year. One time 1,35,000/- refundable deposit.	36 months (February 01, 2025 to January 31, 2028)	Warehouse
2.	April 05, 2025	Vaishali Hitesh Mane (Promoter)	117.17 sq mtrs (i.e. 1261 sq ft)	Bungalow No. 8, Sec. 8, RSC-7, Charkop, Behind Sai Prem Building, Kandivali (West), Mumbai - 400067	35,000/- per month 50,000/- refundable Security Deposit	11 months from February 01, 2025 to December 31, 2025	Registered Office and Corporate Office
3.	April 05, 2025	Rasila Goradia (Promoter Group) and Gourang Goradia (Promoter)	945 sq. mtrs (i.e. 10,172 sq. ft)	B4/126, Chitranjan Colony, Rajawadi CHS Ltd. Ghatkopar (East) Mumbai - 400077	65,000/- per month 1,00,000/- refundable Security Deposit	11 months from February 24, 2025 to January 23, 2026	Warehouse
4	April 25, 2025	Mr. Shyam Krishin Vazirani	3,270 Sq. ft	Sheetal Industry Park', Gala No. 103, Building No. 6, 1 <sup>st</sup> Floor, Vasai - Vira City, District Palghar, 401208	85,000/- per month 5,00,000/- refundable Security Deposit	Approx. 36 Months commencing from July 15, 2025 to 14 June 2028	Proposed Manufacturing Plant

## **KEY INDUSTRY REGULATIONS AND POLICIES**

*Except as otherwise specified in this Draft Red Herring Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.*

*Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws, and intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and are neither designed nor intended to be a substitute for professional legal advice.*

### **APPROVALS**

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the chapter titled “Government and Other Statutory Approvals” beginning on page 243 of this Draft Red Herring Prospectus.

### **BUSINESS AND/OR KEY INDUSTRY AND/OR TRADE RELATED LAWS AND REGULATIONS**

There are no key regulations relating to the activities of trading of and distribution of various products, as carried out by the Company. It is primarily governed by the provisions of the Indian Contract Act, 1872 and Foreign Trade (Development and Regulation) Act, 1992.

#### **The 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.

#### **Foreign Trade (Development and Regulation) Act, 1992**

The FTDR is the main legislation concerning foreign trade in India. The FTDR, read along with the Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given wide powers to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTDR read with the Foreign Trade Policy, 2023, prohibits anybody from undertaking any import or export except under an importer-exporter code (“IEC”) number granted by the Director General of Foreign Trade. Hence, every entity in India engaged in any activity involving import/export is required to obtain an IEC unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority. An IEC number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract a penalty under the FTDR.

#### **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 Act was enacted. With effect from July 01, 2020 the Manufacturing enterprises and enterprises rendering Services have been re-classified as Micro enterprise, where the investment in plant and machinery does not exceed Rs.1 Crore and annual turnover does not exceed Rs. 5 Crore; Small enterprise, where the investment in plant and machinery does not exceed Rs.10 crore and annual turnover does not exceed Rs. 50 Crore; a Medium enterprise, where the investment in plant and machinery does not exceed Rs. 50 crore and annual turnover does not exceed Rs. 250 Crore.

## **LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED**

### **Shops and Establishments laws in various states**

As per the provisions of local Shops and Establishments law applicable in the State of Maharashtra, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

### **Stamp Act in various states**

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

### **Professions, Trade, Callings and Employments Act in various states**

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

## **TAX RELATED LEGISLATIONS**

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

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company which is assessed to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by October 31<sup>st</sup> of each assessment year.

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

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

## **EMPLOYMENT AND LABOUR LAWS**

### **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 requires establishments that employ or have employed on any day in the preceding twelve months, 20 or more workers as contract labour to be registered. The Act requires the principal employer of an establishment to which the Contract Labour Act applies to make an application for registration of the establishment to employ contract labour in the establishment. Contractor to whom the Contract Labour Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The Contract Labour Act imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities and provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time.

### **The Employees' State Insurance Act, 1948 (ESI Act)**

It is an 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. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employers and employees both are required to make contributions to the fund. The return of the contribution made is required to be filed with the Employees' State Insurance Corporation.

### **Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act)**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make an equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees' Provident Scheme, 1952.

### **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which 10 or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which 10 or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

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

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which 10 or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

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

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms 'sexual harassment' and 'workplace' are both defined in the Act. Every employer should constitute an "Internal Complaints Committee" and every officer and member

of the Committee shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

### **Child Labour (Prohibition and Regulation) Act, 1986 (the “CLPR Act”)**

The CLPR Act seeks to prohibit the engagement of children in certain occupations and to regulate the conditions of work of children in certain other occupations. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

## **EMPLOYMENT AND LABOUR LAWS CODIFICATION**

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

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. This code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. This code will apply to all employees and allows the Central Government to set a minimum statutory wage.

### **Occupational Safety, Health and Working Conditions Code, 2019**

The Government of India enacted ‘The Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume 13 labour legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, that concern our business.

### **Industrial Relations Code, 2020**

The Government of India enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946.

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

The Government of India enacted ‘The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume nine separate 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 and the Payment of Gratuity Act, 1972.

## **INTELLECTUAL PROPERTY LEGISLATIONS**

### **Trade Marks Act, 1999 (“TM Act”)**

The Trademarks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

## **FOREIGN INVESTMENT LAWS**

## **Foreign Exchange Management Act, 1999 & Rules thereunder**

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the FEMA Rules and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 as amended in 2019, provide that the total holding by any individual NRI, on a repatriation basis, shall not exceed 5 percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent 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 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

## **Foreign Direct Investment**

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The Reserve Bank of India ("RBI") also issues Master Directions Foreign Investment in India and updates the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who are eligible to make investments in India, for which eligibility criteria are prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

## **GENERAL LAWS**

Apart from the above list of laws, which is inclusive in nature and not exhaustive, general laws like the following are also applicable to our Company:

- The Bharatiya Nyaya Sanhita, 2023
- The Bharatiya Nagarik Suraksha Sanhita, 2023
- The Bharatiya Sakshya Adhiniyam, 2023
- The Negotiable Instrument Act 1881
- The Consumer Protection Act, 2019
- The Transfer of Property Act, 1882
- The Arbitration and Conciliation Act, 1996
- The Information Technology Act, 2000
- The Companies Act, 2013
- The Sale of Goods Act, 1930
- The Registration Act, 1908
- The Indian Contract Act, 1872
- The Specific Relief Act, 1963
- The Competition Act, 2002
- The Electricity Act, 2003



## HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as a Private Limited Company (the “Issuer” or our “Company”) in the name of “ADF Overseas Private Limited”, under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated April 02, 2008 issued by the Assistant Registrar of Companies, Mumbai, Maharashtra, Mumbai. Subsequently, our Company pursuant to a special resolution passed by its shareholders in at their Extra-Ordinary General Meeting held on October 12, 2011, changes its name from “ADF Overseas Private Limited” to “ARC Distributors (I) Private Limited” and a Fresh Certificate of Incorporation consequent to change in name was issued on October 24, 2011 by the Registrar of Companies, Maharashtra, Mumbai. Subsequently, pursuant to Later, through a special resolution passed by the shareholders of our Company at their in the Extra-Ordinary General Meeting held on July 31, 2024, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to “ARC Distributors (I) Limited” and a Fresh Certificate of Incorporation consequent to Conversion was issued on November 05, 2024 by the Registrar of Companies, Central Processing Centre. The Corporate Identity Number of the Company is U46909MH2008PLC180740.

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*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 142, 102, 167, 192 and 225 respectively of this Draft Red Herring Prospectus.

### REGISTERED OFFICE

The Registered Office of the Company is presently situated at ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India. Since incorporation our Company has not changed its registered office except as disclosed below:

Date	From	To	Reason
February 01, 2025	Flat No. 5, 1st Floor, Parag Apartment J.P. Road, Andheri (West) Mumbai, Maharashtra – 400061, India.	ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Kandivali West, Mumbai, Maharashtra – 400 067, India	Administrative convenience

### MAIN OBJECTS AS SET OUT IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

To carry on the business of manufacturing, importing, exporting, distributing, and selling, both in India and internationally, a wide range of products, including but not limited to jewellery tools, dental products for laboratory and other uses, contract manufacturing/third-party manufacturing, dental laboratory consumables, industrial products, health foods, dietary supplements, In-house lab testing of products and ingredients for safety checks, and all related and ancillary activities, including packaging, printing, sealing, job work, and other associated operations.

### AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

The following changes have been made in the Memorandum of Association of our Company since incorporation:

Date of Shareholders’ approval	Nature of Amendment
October 12, 2011	Clause I of our Memorandum of Association was amended pursuant to change of name of the Company from ‘ADF Overseas Private Limited’ to ‘ARC Distributors (I) Private Limited’

Date of Shareholders' approval	Nature of Amendment
April 25, 2024	Clause 3 of our Memorandum of Association was amended, existing Clause 3(c) containing "Other Objects" sub clause No.77 to 95 merged with Clause 3(b)
April 25, 2024	Change in Authorised Capital from Rs. 5,00,000 divided into 50,000 shares at Rs.10 each to Rs. 8,50,00,000 divided into 85,00,000 shares at Rs. 10 each
July 24, 2024	<p>Clause 3 of our Memorandum of Association was amended, Clause 3(a) was substituted with the following:</p> <p>To engage in the import, export, distribution, and sale of jewellery tools, dental products for laboratory and clinical use, consumable dental laboratory products, and industrial products, health foods and supplements both in India and globally, whether independently or in partnership with other organizations.</p> <p>Insertion and Deletion in Clause 3(b) as:</p> <p>Clause 3(b) is amended as follows:</p> <p>Insertion of sub-clause 2 and deletion of sub-clauses 77 to 95 except for sub clause 90 in Clause 3(b) of Memorandum of Association of Company.</p>
July 31, 2024	Clause 1 of our Memorandum of Association was amended to reflect the change in name of our Company from 'ARC Distributors Private Limited' to 'ARC Distributors Limited', pursuant to the conversion of our Company into a public limited Company
December 04, 2024	<p>Clause 3 of our Memorandum of Association was changed to reflect the change in object of our Company from 'To Carry on the Business of Import of health foods and supplements with high protein content and others, Dry Fruits such as almonds, pistachos, packed ready food/confectionery like Chocolates, Cookies, Chips, etc. and distribution in India and to Carry out Publication in India or overseas either jointly with a publishing house (Indian or Foreign) or independently'. to</p> <p>'1. To carry on the business of manufacturing, importing, exporting, distributing, and selling, both in India and internationally, a wide range of products, including but not limited to jewellery tools, dental products for laboratory and other uses, contract manufacturing/third-party manufacturing, dental laboratory consumables, industrial products, health foods, dietary supplements, In-house lab testing of products and ingredients for safety checks, and all related and ancillary activities, including packaging, printing, sealing, job work, and other associated operations.</p> <p>2. To establish, operate, and manage manufacturing facilities in India for the production of the aforementioned products, and to undertake their trade, distribution, and sale in domestic and global markets.</p> <p>3.To engage in the trade, distribution, marketing, and sale of products not manufactured by the Company, acting as a principal, agent, distributor, or through other arrangements, and to participate in the import, export, and allied activities of such products across domestic and international markets.</p> <p>4. To enter into collaborations, partnerships, joint ventures, or other agreements with individuals, firms or entities for the purpose of facilitating any of the above activities, and to carry out any lawful business activities that are incidental or conducive to achieving the objectives of the Company.</p> <p>5. To carry on the activity of investments in shares of listed and unlisted companies, trading in equity, derivatives and commodities.</p> <p>Deletion of Clause 3 (b)</p> <p>To Trade and Invest in the Shares of both Listed and Unlisted Companies.</p>
April 05,2025	Clause 3 is amended as follows:

Date of Shareholders' approval	Nature of Amendment
	Clause 3 (a) (5) of Main Object shifted to the Ancillary Object and deleted Main Object Clause No. 3 (a)(2), 3 (a) (3) And 3 (a) (4) resulting to Main Object read as <i>"To carry on the business of manufacturing, importing, exporting, distributing, and selling, both in India and internationally, a wide range of products, including but not limited to jewellery tools, dental products for laboratory and other uses, contract manufacturing/third-party manufacturing, dental laboratory consumables, industrial products, health foods, dietary supplements, In-house lab testing of products and ingredients for safety checks, and all related and ancillary activities, including packaging, printing, sealing, job work, and other associated operations."</i>

## MAJOR EVENTS

There are no major events in the company since its incorporation except as disclosed below:

Year	Particulars
2008	Our Company was incorporated as a private limited company under the name "ADF Overseas Private Limited".
2010	Started relationship with our largest supplier, M/s Hager and Meisinger GMBH
2011	Our Company changes its name from "ADF Overseas Private Limited" to "ARC Distributors (I) Private Limited"
2022	We crossed Rs. 2,500 lakhs in revenue.
2024	Our Company name changes from "ARC Distributors (I) Private Limited" to "ARC Distributors (I) Limited" subsequent to the conversion from Private to Public Limited Company.

## OTHER DETAILS REGARDING OUR COMPANY

Details regarding the description of our activities, the growth of our Company, technology, the standing of our Company with reference to the prominent competitors with reference to its products, management, major suppliers and customers, segment, capacity/facility creation, marketing, competition and foreign operations, please refer to the chapters titled *"Our Business"*, *"Our Management"* and *"Industry Overview"* on page 142, 167 and 102 respectively of this Draft Red Herring Prospectus.

## RAISING OF CAPITAL IN THE FORM OF EQUITY OR DEBT

For details of the equity capital raising of our Company, please refer to the chapter titled *"Capital Structure"* on page 68 of this Draft Red Herring Prospectus.

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

As on the date of this Draft Red Herring Prospectus, our Company has not made any defaults or rescheduling of borrowings with any financial institutions/banks in respect of our current borrowings from lenders.

## CHANGES IN ACTIVITIES OF OUR COMPANY SINCE INCORPORATION

Except the following, there have been no changes in the activities of our Company since incorporation which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Initial Activity	Changed Activity	Reason
Import of health foods and supplements with high protein content and others, Dry Fruits such as almonds,	To carry on the business of manufacturing, importing, exporting, distributing, and selling, both in India and internationally, a wide range of products, including but not limited to jewellery tools, dental products for laboratory and other uses, contract	Diversification

pistachios, packed ready food/confectionery like Chocolates, Cookies, Chips, etc. and distribution in India and carrying out publishing in India	manufacturing/third-party manufacturing, dental laboratory consumables, industrial products, health foods, dietary supplements, In-house lab testing of products and ingredients for safety checks, and all related and ancillary activities, including packaging, printing, sealing, job work, and other associated operations.	
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## **PROMOTERS OF OUR COMPANY**

The Promoters of our Company are Devang Champaklall Goradia, Gaurang Champaklall Goradia and Vaishali Hitesh Mane. For details, see “*Our Promoters and Promoter Group*” beginning on page 184 of this Draft Red Herring Prospectus.

## **OUR HOLDING COMPANY**

Our Company does not have any Holding Company as on date of filing Draft Red Herring Prospectus.

## **OUR SUBSIDIARY/ ASSOCIATE COMPANY**

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

## **JOINT VENTURES OF THE COMPANY**

Our Company does not have any Joint Ventures as on date of filing Draft Red Herring Prospectus.

## **INJUNCTION AND RESTRAINING ORDER**

Our Company is not under any injunction or restraining order, as on the date of filing of this Draft Red Herring Prospectus.

## **DETAILS REGARDING ACQUISITIONS / AMALGAMATIONS / MERGERS/ REVALUATION OF ASSETS/DIVESTMENT OF BUSINESS/UNDERTAKING IN THE LAST TEN YEARS**

There has been no acquisitions/amalgamations/mergers/revaluation of assets/divestment of business/undertaking in the last ten years preceding the date of this Draft Red Herring Prospectus.

## **TOTAL NUMBER OF SHAREHOLDERS OF OUR COMPANY**

As on the date of filing of this Draft Red Herring Prospectus, the total number of equity shareholders are Seven (7). For more details on the shareholding of the members, please see the section titled “*Capital Structure*” on page 68 of this Draft Red Herring Prospectus.

## **SHAREHOLDERS AGREEMENTS**

Our Company has not entered into any shareholders’ agreement as on the date of filing this Draft Red Herring Prospectus.

## **MATERIAL AGREEMENTS AND OTHER AGREEMENTS**

As on the date of this Draft Red Herring Prospectus our Company has not entered into any material or any specific or special agreements other than those entered into in the ordinary course of business.

## **COLLABORATION AGREEMENTS**

Our Company has not entered into any collaboration agreement with any entity as on the date of this Draft Red Herring Prospectus.

## **STRATEGIC PARTNERS**

Our Company does not have any strategic partner as on the date of filing this Draft Red Herring Prospectus.

## **FINANCIAL PARTNERS**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Red Herring Prospectus.

## **NON-COMPETE AGREEMENT**

Our Company has not entered into any Non-compete Agreement, as on the date of filing this Draft Red Herring Prospectus.

## **LAUNCH OF KEY PRODUCTS OR SERVICES, ENTRY OR EXIT IN NEW GEOGRAPHIES**

For details of launch of key products or services, please refer to the chapter “*Our Business*” on page 142 and “*Objects of the Issue*” on page 80 of this Draft Red Herring Prospectus.

## **TIME AND COST OVERRUNS IN SETTING-UP PROJECTS**

There are no Time and Cost Overruns in Setting-up Projects.

## **LOCK-OUT OR STRIKES**

There have been no lock-outs or strikes in our Company since inception.

## **CORPORATE PROFILE OF OUR COMPANY**

For details on the description of our Company’s activities, the growth of our Company, please see chapters “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis of the Issue Price*” on pages 142, 225 and on page 93 of this Draft Red Herring Prospectus.

## **CHANGES IN THE MANAGEMENT**

For details of change in management, please see chapter titled “*Our Management*” on page 167 of the Draft Red Herring Prospectus.

## **CHANGES IN ACCOUNTING POLICIES IN LAST THREE (3) YEARS**

There have been no changes in the accounting policies in the preceding three years from the date of this Draft Red Herring Prospectus.

## **GUARANTEES PROVIDED BY OUR PROMOTERS**

Save and except as disclosed in this Draft Red Herring Prospectus, our Promoters have not given any guarantees to third parties that are outstanding as on the date of filing of this Draft Red Herring Prospectus. Please refer to the chapter titled “*Financial Indebtedness*” beginning on page 236 of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

### OUR BOARD OF DIRECTORS

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15. Our Company currently has 6 (Six directors on our Board, of which 2 (Two) Director are Executive Director, 2 (two) Directors are Non-Executive Directors and 2(two) Directors are Independent Directors.

The Following table sets forth details regarding the Board of Directors as on the date of this Draft Red Herring Prospectus.

<b>Devang Champaklall Goradia</b>	
<b>Father's Name</b>	Champaklall Mulji Goradia
<b>DIN</b>	01951816
<b>Date of Birth</b>	October 02, 1974
<b>Age</b>	50 years
<b>Designation</b>	Managing Director
<b>Status</b>	Executive
<b>Qualification</b>	Higher Secondary (Class XII) from Maharashtra State Board of Secondary and Higher Secondary Education
<b>No. of Years of Experience</b>	He has more than 17 years of experience in the import & distribution business of Jewellery Tools & Consumables and other merchandise and managing, implementing, and supervising business operations.
<b>Address</b>	162/1B, Windermere CHS, Off New Link Road, Near Mega mall Oshiwara, Andheri West, Mumbai, Azad Nagar Mumbai Suburban Maharashtra 400053.
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	He was appointed under Promoter Category as Non-Executive Director of our Company since incorporation i.e., April 02, 2008. Subsequently his designation was changed as Chairman and Managing Director for a period of 5 years, liable to retire by rotation w.e.f. March 21, 2025 vide Special resolution passed by the members at their Extra-ordinary General Meeting held on March 21, 2025.
<b>Term of Appointment and date of expiration of current term of office.</b>	5 years from March 21, 2025 to March 20, 2030 Liable to retire by Rotation
<b>Other Directorships</b>	Nil

<b>Gaurang Champaklall Goradia</b>	
<b>Father's Name</b>	Champaklall Mulji Goradia
<b>DIN</b>	02255895
<b>Date of Birth</b>	February 03, 1976
<b>Age</b>	49 years
<b>Designation</b>	Whole Time Director
<b>Status</b>	Executive
<b>Qualification</b>	Secondary (Class X) from Maharashtra State Board of Secondary and Higher Secondary Education
<b>No. of Years of Experience</b>	He has more than 16 years of experience in Sales, Marketing, Business Development and Client Relation Management
<b>Address</b>	Devang C Goradia, 1 B/162, Windermere, Oshiwara Link Road, Andheri West, VTC: Mumbai, PO: Andheri Railway Station, DIST: Mumbai Suburban, Maharashtra-400058
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	He was appointed under Promoter Category as Non-Executive Director of the Company on January 16, 2012 till March 01, 2018. Later he was appointed as an Additional Director on May 18, 2024 and subsequently his appointment was regularised as Executive Director w.e.f. June 27, 2024, liable to retire by

	rotation by a resolution passed in an Extra Ordinary Meeting of the Company held on June 27, 2024. Later his designation was changed to Whole Time Director under Promoter category w.e.f. March 21, 2025 for a period of 5 years, liable to retire by rotation vide a Special Resolution passed by the members at their Extra-ordinary General Meeting held on March 21, 2025.
<b>Term of Appointment and date of expiration of current term of office.</b>	5 years from March 21, 2025 to March 20, 2030 Liable to retire by Rotation
<b>Other Directorships</b>	Nil

<b>Vaishali Hitesh Mane</b>	
<b>Father's Name</b>	Champaklall Mulji Goradia
<b>DIN</b>	08152077
<b>Date of Birth</b>	September 22, 1978
<b>Age</b>	46 years
<b>Designation</b>	Director
<b>Status</b>	Non Executive Director
<b>Qualification</b>	Bachelor of Commerce from University of Mumbai, 1999
<b>No. of Years of Experience</b>	She has more than 8 years of experience in dealing with pharmaceutical and health supplements.
<b>Address</b>	Near Bhakti Dham Mandir A/502, Bawa Tower, Narayan Nagar, V. N. Purav Marg, Chunabhatti, Sion, Mumbai, Maharashtra – 400022.
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	She was appointed under Professional Category as an additional Executive Director of the Company on May 18, 2024. Subsequently her appointment was regularised as Executive Director w.e.f. June 27, 2024, liable to retire by rotation by Resolution passed in an Extra Ordinary Meeting of the Company held on June 27, 2024. Later her designation was changed to Non-Executive Director under Promoter category w.e.f. March 20, 2025 vide Resolution passed by Board of Directors at their meeting held on dated March 20, 2025.
<b>Term of Appointment and date of expiration of current term of office.</b>	Liable to retire by rotation
<b>Other Directorships</b>	Nil

<b>Vaibhav Vishnu Pawar</b>	
<b>Father's Name</b>	Vishnu Bhikashji Pawar
<b>DIN</b>	03536593
<b>Date of Birth</b>	May 13, 1974
<b>Age</b>	50 years
<b>Designation</b>	Director
<b>Status</b>	Non-executive Director
<b>Qualification</b>	10th Pass (School Leaving Certificate from New English School Patpanhale dated September 14, 1992.)
<b>No. of Years of Experience</b>	He has more than 25 years of experience in Sales and Marketing.
<b>Address</b>	Room No. 4, Barkubai Chawl, 155 Link Road, Near Toyota Showroom, Kumbharwada, Malad West, Mumbai, Maharashtra- 400064.
<b>Occupation</b>	Business
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	He was appointed under Professional Category as an additional Executive Director on April 11, 2019. Subsequently his appointment was regularised as Executive Director w.e.f. September 30, 2019 by Resolution passed in an Annual General Meeting of the Company. Later his designation was changed to Non-Executive Director under Promoter Category w.e.f. March 20, 2025 vide Resolution passed by Board of Directors at their meeting held on dated March 20, 2025.

<b>Term of Appointment and date of expiration of current term of office.</b>	Liable to retire by rotation
<b>Other Directorships</b>	Nil
<b>Sumit Rameshbhai Gosrani</b>	
<b>Father's Name</b>	Ramesh Velji Gosrani
<b>DIN</b>	10838216
<b>Date of Birth</b>	September 27, 1985
<b>Age</b>	39 years
<b>Designation</b>	Director
<b>Status</b>	Independent Director
<b>Qualification</b>	Chartered Accountant (2011) Bachelor of Commerce from Saurashtra University, 2006
<b>No. of Years of Experience</b>	He has 12 years of experience as practising of Chartered Accountant.
<b>Address</b>	Block No. 404, Samruddhi Apartment, Opposite K.D. Tower, Hirji Mistry Road, Dangarvada, Digvijay Plot, Kalavad, Jamnagar, Gujarat - 361005
<b>Occupation</b>	Profession
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	He was appointed under Independent Category as an additional Non-Executive Director on March 20, 2025. Subsequently his appointment was regularised as Non- Executive Independent Director w.e.f March 20, 2025 for a period of 5 years, not liable to retire by rotation vide a Special Resolution passed by the members at their Extra-ordinary General Meeting held on March 21, 2025.
<b>Term of Appointment and date of expiration of current term of office.</b>	5 years (from March 20, 2025 to March 19, 2030) Not liable to retire by rotation
<b>Other Directorships</b>	Vigor Plast India Limited
<b>Hiren Mahendra Mehta</b>	
<b>Father's Name</b>	Mahendra Ratanlal Mehta
<b>DIN</b>	07139044
<b>Date of Birth</b>	February 20, 1970
<b>Age</b>	55 years
<b>Designation</b>	Director
<b>Status</b>	Independent Director
<b>Qualification</b>	Bachelor of Law from University of Bombay, 1993 Bachelor of Commerce from University of Bombay, 1990 He has been registered as a lawyer with the Bar Council of Maharashtra and Goa since 1993
<b>No. of Years of Experience</b>	He has more than 30 years of experience in practicing law.
<b>Address</b>	Shri Ratan Mahal, 2 <sup>nd</sup> Floor, MG Road, next Milan Shopping Centre, Ghatkopar West Mumbai, Maharashtra - 400086
<b>Occupation</b>	Profession
<b>Nationality</b>	Indian
<b>Date of Appointment</b>	He was appointed under Independent Category as an additional Non-Executive Director on March 20, 2025. Subsequently his appointment was regularised as Non- Executive Independent Director w.e.f March 20, 2025 for a period of 5 years, not liable to retire by rotation vide a Special Resolution passed by the members at their Extra-ordinary General Meeting held on March 21, 2025.
<b>Term of Appointment and date of expiration of current term of office.</b>	5 years (from March 20, 2025 to March 19, 2030) Not liable to retire by rotation
<b>Other Directorships</b>	NIL

## BRIEF PROFILE OF OUR DIRECTORS

### Devang Champaklal Goradia



Devang Champaklal Goradia, aged 50 years is Promoter as well as Managing Director of our Company. He completed his Higher Secondary (Class XII) from Maharashtra State Board of Secondary and Higher Secondary Education. He has more than 17 years of experience in the import & distribution business of Jewellery Tools & Consumables and other merchandise and managing, implementing, and supervising business operations. He looks after overall management and operations of the Company. He is also instrumental in preparing growth strategies of the Company. He was appointed under Promoter Category as a Non-Executive Director of our Company since incorporation i.e., April 02, 2008. Subsequently his designation was changed as Chairman and Managing Director for a period of 5 years, liable to retire by rotation w.e.f. March 21, 2025 vide Special resolution passed by the members at their an Extra Ordinary meeting held on March 21, 2025.

#### **Gaurang Champaklal Goradia**

Gaurang Champaklal Goradia, aged 49 years is Promoter as well as a Whole Time Director of our Company. He completed his Secondary (Class X) from Maharashtra State Board of Secondary and Higher Secondary Education. He has more than 16 years of experience in Sales, Marketing, Business Development and Client Relationship Management. He was appointed under Promoter Category as Non-Executive Director of the Company on January 16, 2012 till March 01, 2018. Later he was appointed as an Additional Director on May 18, 2024 and subsequently his appointment was regularised as Executive Director w.e.f. June 27, 2024, liable to retire by rotation by a resolution passed in an Extra Ordinary Meeting of the Company held on June 27, 2024. Later his designation was changed to Whole Time Director under Promoter category w.e.f. March 21, 2025 for a period of 5 years, liable to retire by rotation vide a Special Resolution passed by the members at their Extra-ordinary General Meeting held on March 21, 2025.

#### **Vaishali Hitesh Mane**

Vaishali Hitesh Mane, aged 46 years is Promoter as well as a Non – Executive Director of our Company. She had completed her Bachelors of Commerce from University of Mumbai. She has more than 8 years of experience in dealing with pharmaceutical and health supplements. She was appointed under Professional Category as an additional Executive Director of the Company on May 18, 2024. Subsequently her appointment was regularised as Executive Director w.e.f. June 27, 2024, liable to retire by rotation by Resolution passed in an Extra Ordinary Meeting of the Company held on June 27, 2024. Later her designation was changed to Non-Executive Director under Promoter category w.e.f. March 20, 2025 vide Resolution passed by Board of Directors at their meeting held on dated March 20, 2025.

#### **Vaibhav Vishnu Pawar**

Vaibhav Vishnu Pawar, aged 50 years is a Non-Executive Director of the Company. He completed his Secondary (Class X) based on the School Leaving Certificate from New English School, Patpanhale, on September 14, . He has more than 25 years of experience in the sales and Marketing. He was appointed under Professional Category as an additional Executive Director of our Company on April 11, 2019. Subsequently his appointment was regularised as Executive Director w.e.f. September 30, 2019 by Resolution passed in an Annual General Meeting of the Company. Later his designation was changed to Non Executive Director under Promoter Category w.e.f. March 20, 2025 vide Resolution passed by Board of Directors at their meeting held on dated March 20, 2025.

#### **Sumit Rameshbhai Gosrani**

Sumit Rameshbhai Gosrani aged 39 years is an Independent Director of our Company. He is a Chartered Accountant and member of Institute of Chartered Accountants since 2011. He has 12 years of experience as practising of Chartered Accountant. He was appointed under Independent Category as an additional Non-Executive Director on March 20, 2025. Subsequently his appointment was regularised as Non- Executive Independent Director w.e.f March 20, 2025 for a period of 5 years, not liable to retire by rotation vide a Special Resolution passed by the members at their Extra-ordinary General Meeting held on March 21, 2025.

#### **Hiren Mahendra Mehta**

Hiren Mahendra Mehta aged 55 years is an Independent Director of our Company. He holds a bachelor's degree in commerce and in law from Bombay University and has been registered as a lawyer with the Bar Council of Maharashtra and Goa since 1993. He has more than 30 years of experience in practicing law. He was appointed under Independent Category as an additional Non-Executive Director on March 20, 2025. Subsequently his appointment was regularised as Non- Executive

Independent Director w.e.f March 20, 2025 for a period of 5 years, not liable to retire by rotation vide a Special Resolution passed by the members at their Extra-ordinary General Meeting held on March 21, 2025.

## CONFIRMATIONS

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

- A. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- B. None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- D. None of our Directors are/were directors of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Draft Red Herring Prospectus.
- E. None of the Promoters or Directors of our Company are Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- F. None of our Directors are/were directors of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

## RELATIONSHIP BETWEEN THE DIRECTORS

Except as disclosed herein, none of our Director(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013:

Name of Director	Designation	Relation
Devang Champaklal Goradia	Chairman and Managing Director	He is the brother of Gaurang Champaklal Goradia and Vaishali Hitesh Mane.
Gaurang Champaklal Goradia	Whole Time Director	He is the brother of Devang Champaklal Goradia and Vaishali Hitesh Mane.
Vaishali Hitesh Mane	Non-Executive Director	She is the sister of Devang Champaklal Goradia and Gaurang Champaklal Goradia

## ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Managerial Personnel were selected as a director or Member of Senior Management.

## SERVICE CONTRACTS

None of our directors have entered into any service contracts with our Company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our Company. However, Executive Directors of our Company are appointed for specific terms and conditions. Their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company.

## BORROWING POWERS OF THE BOARD OF DIRECTORS

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Our Company has, pursuant to a special resolution passed at the Extraordinary General Meeting held on March 26, 2025, resolved that in accordance with the provisions of Section 180(1)(c) of the Companies Act, 2013, our Board is authorised to borrow, from time to time, such sum or sums of moneys as the Board which together with the moneys already borrowed by our Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed at any time the aggregate of the paid-up capital of our Company, its free reserves and securities premium of our Company, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys borrowed by the Board of Directors and outstanding at one time shall not exceed ₹25,000 lakhs.

#### TERMS OF APPOINTMENT OF OUR DIRECTORS

<b>Name</b>	<b>Devang Champaklal Goradia</b>
<b>Designation</b>	Chairman and Managing Director
<b>Date of Appointment / Change in Designation</b>	He was appointed under Promoter Category as Non-Executive Director of our Company since incorporation i.e., April 02, 2008. Subsequently his designation was changed as Chairman and Managing Director for a period of 5 years, liable to retire by rotation w.e.f. March 21, 2025 vide Special resolution passed by the members at their Extra-ordinary General Meeting held on March 21, 2025.
<b>Period</b>	5 years w.e.f. March 21, 2025 to March 20, 2030, liable to retire by rotation.
<b>Salary</b>	Upto ₹ 2.00 lakhs per month
<b>Bonus</b>	-
<b>Perquisite/Benefits</b>	Included in the salary
<b>Commission from April 1, 2024 to December 31, 2024</b>	Nil
<b>Compensation/ remuneration paid from April 1, 2024 to December 31, 2024</b>	₹ 40. 00 lakhs

<b>Name</b>	<b>Gaurang Champaklal Goradia</b>
<b>Designation</b>	Whole Time Director
<b>Date of Appointment / Change in Designation</b>	He was appointed under Promoter Category as Non-Executive Director of the Company on January 16, 2012 till March 01, 2018. Later he was appointed as an Additional Director on May 18, 2024 and subsequently his appointment was regularised as Executive Director w.e.f. June 27, 2024, liable to retire by rotation by a resolution passed in an Extra Ordinary Meeting of the Company held on June 27, 2024. Later his designation was changed to Whole Time Director under Promoter category w.e.f. March 21, 2025 for a period of 5 years, liable to retire by rotation vide a Special Resolution passed by the members at their Extra-ordinary General Meeting held on March 21, 2025.
<b>Period</b>	5 years w.e.f. March 21, 2025, liable to retire by rotation.
<b>Salary</b>	Upto Rs. 1.00 lakh per month
<b>Bonus</b>	Nil
<b>Perquisite/Benefits</b>	Included in salary
<b>Commission from May 18, 2024 to December 31, 2024</b>	₹ 7.55 lakhs
<b>Compensation/ remuneration paid April 1, 2024 to December 31, 2024</b>	Nil

#### SITTING FEES AND COMMISSION TO INDEPENDENT DIRECTORS

Pursuant to a resolution passed by our Board of Directors dated March 24, 2025, our Independent Directors are entitled to receive sitting fees of ₹ 0.10 lakhs for attending each meeting of our Board and the committees constituted by our Board, subject to a maximum of ₹ 1.00 lakhs per annum. Further, our Independent Directors may be paid commission and reimbursement of expenses as permitted under the Companies Act and the SEBI Listing Regulations. Further, our Non-Executive Directors are not entitled to any sitting fees and commission.

Except as disclosed above, our Company has not entered into any contract appointing or fixing the remuneration of a Director, Whole-time Director, or manager in the two years preceding the date of this Draft Red Herring Prospectus.

#### **PAYMENT OR BENEFIT TO DIRECTORS OF OUR COMPANY**

Except as disclosed in this Draft Red Herring Prospectus, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of the Executive Directors except the normal remuneration for services rendered as a Director of our Company. Additionally, there is no contingent or deferred compensation payable to any of our Directors.

#### **REMUNERATION PAID OR PAYABLE TO OUR DIRECTORS BY OUR SUBSIDIARY OR ASSOCIATE**

Our Company does not have any subsidiary or associate as on the date of filing this Draft Red Herring Prospectus.

#### **CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS**

As on the date of this Draft Red Herring Prospectus, there is no contingent or deferred compensation payable to the Directors, which does not form part of their remuneration.

#### **BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS**

None of our Directors are a party to any bonus or profit-sharing plan.

#### **SHAREHOLDING OF DIRECTORS**

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

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>No. Equity Shares held</b>	<b>Percentage of the pre-Issue paid up share capital (%)</b>	<b>Percentage of the post- Issue paid up share capital (%)</b>
1.	Devang Champaklal Goradia	50,59,474	89.39%	[●]
2.	Gaurang Champaklal Goradia	566	0.01%	[●]
3.	Vaishali Hitesh Mane	5,66,000	10.00%	[●]

#### **INTEREST OF DIRECTORS**

All the Executive Directors are interested to the extent of remuneration paid to them for services rendered to the Company. The directors may be regarded as interested in the shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as directors, members, partners and or trustees. All directors may be deemed to be interested in the contracts, agreements/arrangements to be entered into by the issuer company with any company in which they hold directorships or any partnership or proprietorship firm in which they are partners or proprietors as declared in their respective declarations.

All the Non-Executive Independent Directors of the Company may be deemed to be interested to the extent of fees, payable to them for attending meetings of the Board or Committee if any as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws.

Except as stated under “*Note-30 Restated Related Party Transactions*” under Chapter titled “*Restated Financial Statements*” beginning on page 192 of the Draft Red Herring Prospectus, our Company has not entered into any contracts, agreements or arrangements during the preceding two years from the date of the Draft Red Herring Prospectus in which our directors are interested directly or indirectly.

### Interest in promotion of our Company

Except as stated in the section titled “*Our Promoters and Promoter Group*” beginning on page 184 our Directors have no interest in the promotion of our Company as of the date of this Draft Red Herring Prospectus, except in the ordinary course of business.

### Interest in the property of our Company

Except as stated in the section titled “*Related Party Transactions*” in the chapter “*Summary of Issue Document*” on page 19 of the Draft Red Herring Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of 2 (two) years preceding the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Further our directors do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled “*Our Properties*” under the chapter titled “*Our Business*” beginning on page 156 of this Draft Red Herring Prospectus.

### Interest as Creditor of our Company

As on the date of this Draft Red Herring Prospectus, except as stated in the chapter titled “*Statement of Financial Indebtedness*” and heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*”, our Company has not availed loans from Directors of our Company.

### Interest in the business of our Company

Further, save and except as stated otherwise in “*Statement of Related Parties’ Transactions*” in the chapter titled “*Financial Statements as Restated*” of this Draft Red Herring Prospectus, our directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus. Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue, or any such intermediaries registered with SEBI.

### Other Interests

Except as stated above, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or Company in which he is interested, in connection with the promotion or formation of our Company.

### CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of the Director	Date of Event	Nature of Event	Reason for the changes
Devang Champaklal Goradia	March 21, 2025	Change in Designation from Non-Executive Director to Chairman and Managing Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
Gaurang Champaklal Goradia	March 21, 2025	Change in Designation from Executive Director to Whole Time Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
Sumit Rameshbhai Gosrani	March 21, 2025	Regularization as Independent Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
Hiren Mahendra Mehta	March 21, 2025	Regularization as Independent Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
Vaibhav Vishnu Pawar	March 20, 2025	Change in designation from Executive Director to Non-Executive Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
Vaishali Hitesh Mane	March 20, 2025	Change in designation from Executive Director to Non-Executive Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013

Name of the Director	Date of Event	Nature of Event	Reason for the changes
Sumit Rameshbhai Gosrani	March 20, 2025	Appointment as Additional Independent Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
Hiren Mahendra Mehta	March 20, 2025	Appointment as Additional Independent Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
Vaishali Hitesh Mane	June 27, 2024	Change in Designation from Additional Director to Executive Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
Gaurang Champaklal Goradia	June 27, 2024	Change in Designation from Additional Director to Executive Director	To ensure better Corporate Governance and compliance with the Companies Act, 2013
Vaishali Hitesh Mane	May 18, 2024	Appointment as Additional Executive Director in Professional Category	To ensure better Corporate Governance and compliance with the Companies Act, 2013
Gaurang Champaklal Goradia	May 18, 2024	Appointment as Additional Executive Director in Professional Category	To ensure better Corporate Governance and compliance with the Companies Act, 2013
Parth Arjun Vyas	July 15, 2023	Resignation of Director	Pre-occupation elsewhere

## CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately upon the listing of Equity Shares on the Stock Exchanges.

As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirements specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 are not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavors to comply with the good corporate governance and accordingly certain exempted regulations have been compiled by our Company.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including a woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

### **Composition of Board of Directors**

Currently our Board consists of 6 (Six) directors and out of which, 2(Two) are Executive Director and 2 (two) are Non-Executive-Directors and 2 (two) are Independent Directors.

Composition of Board of Directors is set forth in the below mentioned table:

Sr. No.	Name of Directors	Designation	Status	DIN
1	Devang Champaklal Goradia	Chairman and Managing Director	Executive	01951816
2	Gaurang Champaklal Goradia	Whole Time Director	Executive	02255895
3	Vaishali Hitesh Mane	Director	Non-Executive	08152077
4	Vaibhav Vishnu Pawar	Director	Non-Executive	03536593
5	Sumit Rameshbhai Gosrani	Director	Independent Director	10838216
6	Hiren Mahendra Mehta	Director	Independent Director	07139044

### **Constitution of Committees**

Our Company has constituted the following Committees of the Board:



1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee

Details of composition, terms of reference etc. of each of the above committees are provided hereunder:

#### 1. Audit Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 177 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on March 24, 2025 constituted the Audit Committee.

The constitution of the Audit Committee is as follows:

Name of the Directors	Designation	Designation in the Committee
Sumit Rameshbhai Gosrani	Independent Director	Chairperson
Hiren Mahendra Mehta	Independent Director	Member
Devang Champaklal Goradia	Chairman and Managing Director	Member

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

#### Terms of Reference

The Role of Audit Committee not limited to but includes: -

1. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
2. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
3. Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors for approval;
  - a. Changes, if any, in accounting policies and practices and reasons for the same.
  - b. Major accounting entries involving estimates based on the exercise of judgment by management.
  - c. Significant adjustments made in the financial statements arising out of audit findings.
  - d. Compliance with Listing and other legal requirements relating to financial statements.
  - e. Disclosure of any related party transactions.
  - f. Qualifications in the draft audit report.
4. Approval or any subsequent modification of transactions of the Company with related party;

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof;

Provided further that in case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;

5. Reviewing, with the management, and monitoring the statement of uses, application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
6. Scrutiny of Inter-corporate loans and investments;
7. Reviewing and discussing 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;
8. To review the functioning of the Whistle Blower mechanism, in case the same is existing;

9. Valuation of undertakings or assets of the company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
11. 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;
12. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
13. Carrying out any other function as assigned by the Board of Directors from time to time.

#### **Review of Information**

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the Internal Auditor.
- vi. Annual statement of funds utilized for purpose other than those stated in the offer document/ prospectus.

#### **Powers of Committee**

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### **2. Stakeholders' Relationship Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on March 24, 2025 constituted the Stakeholders' Relationship Committee.

The constitution of the Stakeholders' Relationship Committee is as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Designation in the Committee</b>
Vaibhav Vishnu Pawar	Non Executive Director	Chairperson
Gaurang Champaklal Goradia	Whole Time Director	Member
Hiren Mahendra Mehta	Independent Director	Member

#### **Terms of Reference**

The powers of the Stakeholders Relationship Committee shall be as follows:

1. Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;
2. Resolving the grievances of the security holders of the Company including complaints related to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
3. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;



4. Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of our Company and to recommend measures for overall improvement in the quality of investor services;
5. Review of measures taken for effective exercise of voting rights by shareholders;
6. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar & share transfer agent;
7. To approve allotment of shares, debentures or any other securities as per the authority conferred / to be conferred to the Committee by the Board of Directors from time to time;
8. To approve requests for transfer, transposition, deletion, consolidation, sub-division, change of name, dematerialization, rematerialisation etc. of shares, debentures and other securities;
9. To monitor and expedite the status and process of dematerialization and rematerialisation of shares, debentures and other securities of the Company; and
10. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
11. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

### **3. Nomination and Remuneration Committee:**

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on March 24, 2025 constituted the Nomination and Remuneration Committee.

The constitution of the Nomination and Remuneration Committee is as follows:

<b>Name of the Directors</b>	<b>Designation</b>	<b>Designation in the Committee</b>
Hiren Mahendra Mehta	Independent Director	Chairperson
Sumit Rameshbhai Gosrani	Independent Director	Member
Vaishali Hitesh Mane	Non Executive Director	Member

#### **Terms of reference**

#### **The role of the Nomination and Remuneration Committee shall be as follows:**

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 every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

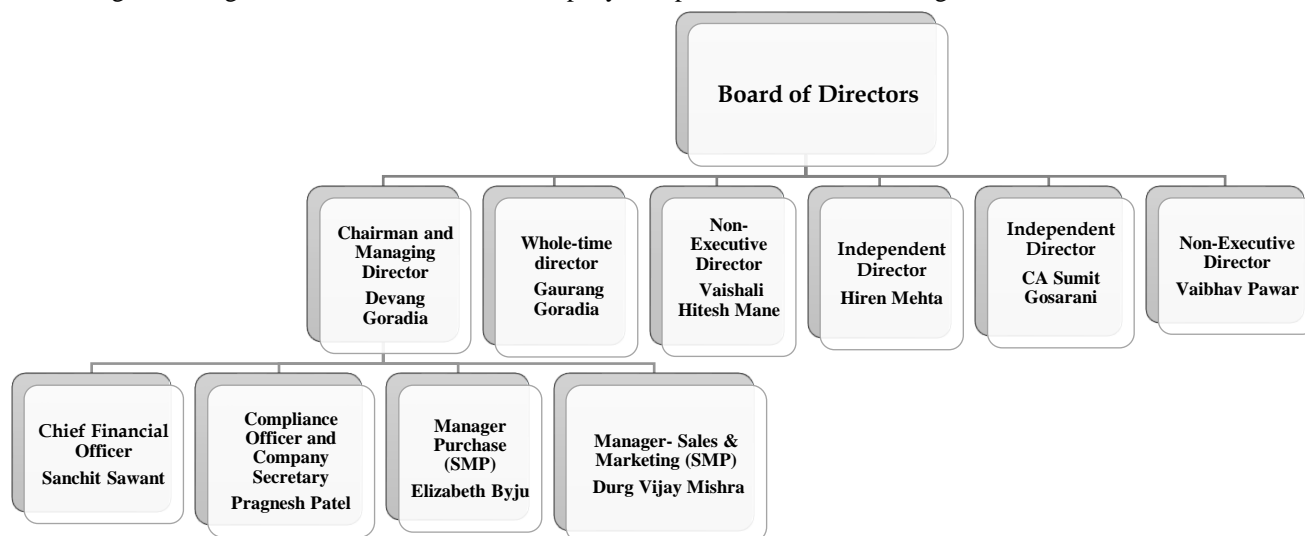
- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

3. Formulating criteria for evaluation of performance of independent directors and the Board;
4. Devising a policy on diversity of Board;
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 their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
6. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Recommending to the board, all remuneration, in whatever form, payable to senior management;
8. Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;
9. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
10. Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
11. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
12. Framing suitable policies and systems to ensure that there is no violation, as amended from time to time, of any securities laws or any other applicable laws in India or overseas, including:
  - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - b) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;
13. Carrying out any other function as is mandated by the Board from time to time and / or enforced/mandated by any statutory notification, amendment or modification, as may be applicable;
14. Performing such other functions as may be necessary or appropriate for the performance of its duties.

## MANAGEMENT ORGANISATION CHART

The Management Organization Structure of the Company is depicted from the following chart:



## OUR KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified experienced, who are permanent employees of our Company. The following are the Key Managerial Personnel of our Company.

### Our Key Managerial Personnel

Apart from our Managing Director and Whole Time Director, whose details have been provided under paragraph '*Brief Profile of our Directors*', set forth below are the details of our Key Managerial Personnel as on the date of Draft Red Herring Prospectus:

Chief Financial Officer	
<b>Name</b>	Sanchit Mahesh Sawant
<b>Date of Birth/ Age</b>	December 20, 1997/ 27 years
<b>Date of Appointment</b>	March 20, 2025
<b>Overall Experience</b>	More than 6 years
<b>Qualification</b>	Master of Commerce from University of Mumbai, 2023
<b>Previous Employment</b>	Laxminarayan & Co, as Auditor (September 2018 to August 2023) Accountant in ARC Distributions Limited (from August 2023 to March 2025)
<b>Functions and areas of experience in the Company</b>	Sanchit Mahesh Sawant has been associated with the Company in the accounts and finance department. He has experience in areas such as accounting, financial reporting, budgeting, taxation, internal controls, and compliance. As Chief Financial Officer, he is responsible for overseeing the Company's overall financial management, statutory compliances, financial planning, monitoring of accounts, internal audit coordination, and ensuring adherence to regulatory requirements.
<b>Remuneration paid from April 1, 2024 to December 31, 2024</b>	₹ 3.60 lakhs

<b>Company Secretary and Compliance Officer</b>	
<b>Name</b>	Pragnesh Ganpat Patel
<b>Date of Birth/ Age</b>	March 29, 1991/ 33 years
<b>Date of Appointment</b>	July 01, 2024
<b>Overall Experience</b>	More than 2 Years
<b>Qualification</b>	Associate Member of Institute of Company Secretaries of India since March 10, 2022
<b>Previous Employment</b>	Fidel Softech Private Limited (April 2022 to March 2023) Vitane Pharmaceuticals Pvt Ltd (May 2023 to June 2024)
<b>Functions and areas of experience in the Company</b>	Pragnesh Ganpat Patel is responsible for ensuring compliance with corporate laws, secretarial standards, and regulatory requirements applicable to the Company. As the Company Secretary and Compliance Officer, he/she oversees secretarial functions, ensures effective corporate governance practices, and assists the Board of Directors in discharging their legal and statutory obligations.
<b>Remuneration paid from July 1, 2024 to December 31, 2024</b>	₹ 2.10 lakhs

### Our Senior Managerial Personnel

Apart from our Managing Directors, Chief Financial Officer and Company Secretary and Compliance Officer, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*' and '*Our Key Managerial Personnel*', set forth below are the details of our Senior Managerial Personnel as on the date of filing of this Draft Red Herring Prospectus:

<b>Purchase Manager</b>	
<b>Name</b>	Elizabeth Byju Vadakkan
<b>Date of Birth/ Age</b>	May 25, 1970/ 55 years
<b>Date of Appointment</b>	July 01, 2015
<b>Overall Experience</b>	More than 10 years
<b>Qualification</b>	Bachelor of Commerce from University of Bombay, 1993
<b>Previous Employment</b>	Devang Goradia (Proprietorship) (July 2013 to June 2015)
<b>Functions and areas of experience in the Company</b>	She was appointed as Purchase Manager and is responsible for managing the Company's procurement functions, including sourcing of materials, vendor management, negotiation, inventory coordination, and ensuring timely supply for operational requirements. She has developed substantial experience in these areas during her tenure with the Company
<b>Remuneration paid from April 1, 2024 to December 31, 2024</b>	₹ 3.15 lakhs

<b>Sales and Marketing Manager</b>	
<b>Name</b>	Durg Vijay Kumar Mishra
<b>Date of Birth/ Age</b>	April 24, 1987/ 38 years
<b>Date of Appointment</b>	September 20, 2023
<b>Overall Experience</b>	More than 9 years
<b>Qualification</b>	Master of Business Administration from Institute of Chartered Financial Analysts of India University, Tripura, 2013 Bachelor of Computer Application from Integral University, Lucknow, 2009
<b>Previous Employment</b>	Dhanlaxmi Electricals Private Limited (June 2022 to September 2023) Abbott India Limited (June 2015 to June 2022)
<b>Functions and areas of experience in the Company</b>	He was appointed as Manager – Marketing and Sales and is responsible for overseeing the Company's sales and marketing functions, including business development, client relationship management, market expansion initiatives, and promotional activities. He has gained extensive experience across these areas during his tenure with the Company."
<b>Remuneration paid from April 1, 2024 to December 31, 2024</b>	₹ 3.095 lakhs

#### **BONUS OR PROFIT-SHARING PLAN OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL**

Our Company does not have profit sharing plans for the Key Management Personnel and Senior Management Personnel.

#### **CHANGES IN THE KEY MANAGEMENT PERSONNEL (OTHER THAN MD AND WTD) AND SENIOR MANAGEMENT PERSONNEL**

The following are the changes in the Key Management Personnel and Senior Management Personnel in the last three years preceding the date of filing this Draft Red Herring Prospectus, otherwise than by way of retirement in due course.

<b>Name of Key / Senior Managerial Personnel</b>	<b>Date of Event</b>	<b>Nature of Event</b>	<b>Reason for the changes</b>
Durg Vijay Kumar Mishra	September 20, 2023	Appointment	New Appointments as Sales and Marketing Manager
Pragnesh Ganpat Patel	July 01, 2024	Appointment	New appointment as Company Secretary and Compliance officer
Sanchit Mahesh Sawant	March 20, 2025	Appointment	Appointment as CFO

#### **EMPLOYEE STOCK OPTION SCHEME**

As on the date of filing of Draft Red Herring Prospectus, our company does not have any ESOP Scheme for its employees.

#### **RELATIONSHIP OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT WITH OUR DIRECTORS, PROMOTERS AND / OR OTHER KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

Except as disclosed under the heading '*Relationship between our Directors*' none of our Key Managerial Personnel and Senior Management Personnel of our Company are related to each other or our Directors.

#### **PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)**

Except the statutory payments made by our Company, in the last two years, our Company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers.

Notes:

- All the Key Managerial Personnel and Senior Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the Key Managerial Personnel and Senior Managerial Personnel have been recruited.
- None of our Key Managerial Personnel and Senior Management Personnel has been granted any benefits in kind from our Company, other than their remuneration.
- No benefits are granted upon their termination from employment other than statutory benefits provided by our Company.

#### **INTEREST OF KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL**

Except as disclosed in this Draft Red Herring Prospectus, none of the Key Managerial Personnel and Senior Managerial Personnel have any other interest in our Company, except for the remuneration they draw for their respective job, as on the date of this Draft Red Herring Prospectus.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel and Senior Management have been appointed.

#### **SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT PERSONNEL IN OUR COMPANY**

Other than our Chairman and Managing Director and Whole Time Director, none of the other Key Managerial Personnel and Senior Managerial Personnel hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

#### **LOANS TAKEN BY DIRECTORS / KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT**

Our Company has not granted any loans to the Directors and/or Key Management Personnel and Senior Management as on the date of this Draft Red Herring Prospect.


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## OUR PROMOTERS AND PROMOTER GROUP


The Promoters of our Company are Devang Champaklal Goradia, Gaurang Goradia and Vaishali Hitesh Mane.

As on the date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 56,26,040 Equity Shares, representing 99.4 % of the Issued, Subscribed and Paid-up Equity Share Capital of our Company. For details of the Capital build-up of our Promoters, see chapter titled “*Capital Structure*” beginning on page 68 of this Draft Red Herring Prospectus.

The details of our Promoters are as follows:

<b>Devang Champaklal Goradia</b>	
	<p>Devang Champaklal Goradia, aged 50 years, is the Founder, Promoter and Managing Director of our Company. He was appointed under Promoter Category as Non-Executive Director of the Company since incorporation i.e., April 02, 2008. He has more than 17years of experience in the import &amp; distribution business of Jewellery Tools &amp; Consumables and other merchandise and managing, implementing, and supervising business operations</p>
	<p>Date of Birth: October 02, 1974</p>
	<p>Age: 50 years</p>
	<p>PAN: AACPG2205P</p>
	<p>Educational Qualification: Higher Secondary (Class XII) from Maharashtra State Board of Secondary and Higher Secondary Education</p>
	<p>Residential Address: 162/1B, Windermere CHS, Off New Link Road, Near Mega Mall Oshiwara, Andheri West, Mumbai, Azad Nagar Mumbai Suburban, Maharashtra-400053.</p>
	<p>Nationality: Indian</p>
	<p>Other Directorship/s: Nil</p>
	<p>Position/posts held in the past: Director</p>
	<p>Other Ventures: Nil</p>


*For the complete profile of Devang Champaklal Goradia - educational qualifications, professional experience, position / posts held in the past, directorships held, special achievements and business and financial activities see “Our Management” on page 167 of this Draft Red Herring Prospectus.*

Gaurang Champaklal Goradia	
	<p>Gaurang Champaklal Goradia, aged 49 years, is the Promoter and Whole Time Director of our Company. He was appointed under Promoter Category as Non-Executive Director of the Company on January 16, 2012 till March 01, 2018. Later he was appointed as an Additional Director on May 18, 2024 and subsequently his appointment was regularised as Executive Director w.e.f. June 27, 2024, liable to retire by rotation vide by resolution passed in an Extra Ordinary Meeting of the Company held on June 27, 2024. Later his designation was changed to Whole Time Director under Promoter category w.e.f. March 21, 2025 for a period of 5 years, liable to retire by rotation vide a Special Resolution passed by the members at their Extra-ordinary General Meeting held on March 21, 2025. He has more than 16 years of experience in Sales, Marketing, Business Development and Client Relation Management.</p>
	Date of Birth: February 03, 1976
	Age: 49 years
	PAN: AGDPG3848H
	Educational Qualification: Secondary (Class X) from Maharashtra State Board of Secondary and Higher Secondary Education
	Residential Address: Devang C Goradia, 1B/162, Winderemere, Oshiwara Link Road, Andheri West, Mumbai, PO: Andheri Railway Station, DIST: Mumbai Suburban, Maharashtra-400058. Nationality: Indian
	Other Directorship/s: Nil
	Position/posts held in the past: Director
	Other Ventures: ^Perfect Body (Proprietorship of Gaurang Champaklal Goradia)

<sup>^</sup> Perfect Body (Proprietorship of Mr. Gaurang Champaklal Goradia) has inactivated its GST registration following the cessation of business activities.

*For the complete profile of Gaurang Champaklal Goradia- educational qualifications, professional experience, position / posts held in the past, directorships held, special achievements and business and financial activities see “Our Management” on page 167 of this Draft Red Herring Prospectus.*



Vaishali Hitesh Mane	
	<p>Vaishali Hitesh Mane, aged 46 years, is the Promoter and Non Executive Director of our Company. She was appointed under Professional Category as an additional Executive Director of the Company on May 18, 2024. Subsequently her appointment was regularised as Executive Director w.e.f. June 27, 2024, liable to retire by rotation by Resolution passed in an Extra Ordinary Meeting of the Company held on June 27, 2024. Later her designation was changed to Non-Executive Director under Promoter category w.e.f. March 20, 2025 vide Resolution passed by Board of Directors at their meeting held on dated March 20, 2025. She has more than 8 years of experience in dealing with pharmaceutical and health supplements.</p>
	<p>Date of Birth: September 22, 1978</p> <p>Age: 46 years</p> <p>PAN: AGDPG3846K</p> <p>Educational Qualification: Bachelor of Commerce from University of Mumbai, 1999</p> <p>Residential Address: Near Bhakti Dham Mandir A/502, Bawa Tower, Narayan Nagar, V. N. Purav Marg, Chunabhatti, Sion, Mumbai, Maharashtra – 400022.</p> <p>Nationality: Indian</p> <p>Other Directorship/s: Nil</p> <p>Position/posts held in the past: Director</p> <p>Other Ventures: Proprietor of M/s. Add Nutrition, having principal place of business at Bldg Number -5, Gala Number - 9, Mahalaxmi Ind CSL, Jogani Industrial Complex V N Purav Marg, Sion Chunabhatti, Mumbai City, Maharashtra, 400022.</p>

*For the complete profile of Vaishali Hitesh Mane, educational qualifications, professional experience, position / posts held in the past, directorships held, special achievements and business and financial activities see “Our Management” on page 167 of this Draft Red Herring Prospectus.*

## DECLARATION

We declare and confirm that the details of the Permanent Account Number, Aadhaar Card Number and Driving License Number, Passport Number and Bank Account Number of our Promoters will be submitted to the Stock Exchange i.e. SME Platform of BSE Limited, where the Equity Shares are proposed to be listed at the time of filing this Draft Red Herring Prospectus.

## UNDERTAKINGS / CONFIRMATIONS

- Neither our Company nor none of our Promoters, Promoter Group or Directors have 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;
- None of the Promoters or Directors of our Company is a promoter or director of any other company which 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;

- No material regulatory or disciplinary action has been taken by any 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.
- Neither our Company nor any of our Promoters or Directors have been declared as wilful defaulters or Fraudulent Borrowers by the RBI or by any other government authority and there are no violations of securities laws committed by them in the past or are currently pending against them.
- None of our Promoters or Directors are fugitive economic offenders.
- 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.
- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past five years against any of the Promoters nor is there any outstanding action against the Promoters.
- The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group Company/ies and Company/ies promoted by the Promoters are disclosed in chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 237 of this Draft Red Herring Prospectus.

## **CHANGE IN THE CONTROL OR MANAGEMENT OF THE ISSUER IN LAST FIVE YEARS**

There has been no change in control or management of the Issuer in the last three years.

## **EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter titled “*Our Management*” beginning on page 167 of this Draft Red Herring Prospectus.

## **INTEREST OF OUR PROMOTERS**

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company, and (ii) to the extent of their shareholding and directorship in our Company, and (iii) to the extent of dividend declared, if any. For details on shareholding of our Promoters in our Company, see “*Capital Structure*” on page 68 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business. For further details, please refer the section titled “*Related Party Transactions*” in chapter “*Restated Financial Statements*” beginning on page 192 of this Draft Red Herring Prospectus.

### ***Interest in the property, land, construction of building, supply of machinery, etc.***

Except as mentioned in the chapter titled “*Our Business*” beginning on page 142 of this Draft Red Herring Prospectus, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of 2 (two) years before filing of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

### ***Interest in our Company arising out of being a member of a firm or company***

Our promoters are not interested as members of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

### ***Interest in our Company other than as Promoter***

Except as mentioned in this chapter and chapters titled “*Our Business*”, “*History and Certain Corporate Matters*”, “*Our Management*” and “*Restated Financial Statements*” beginning on pages 142, 162, 167 and 192, respectively, our Promoters do not have any other interest in our Company.

#### ***Payment or Benefit to the Promoters or Promoter Group in the last 2 (two) years***

Except as stated above in chapters “*Restated Financial Statements*” beginning on page 192 of this Draft Red Herring Prospectus, there has been no amount or benefit paid or given during the preceding 2 (two) years of filing of this Draft Red Herring Prospectus or intended to be paid or given to any Promoters or member of our Promoter Group and no consideration for payment of giving of the benefit.

### **RELATED PARTY TRANSACTIONS**

Except as stated in the “*Related Party Transactions*” in the chapter “*Summary of Issue Document*” on page 19 of the Draft Red Herring Prospectus, our Company has not entered related party transactions with our Promoters.

### **COMMON PURSUITS OF OUR PROMOTERS**

Our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company except to the extent of Proprietorship firms namely Add Nutrition. This is Promoter Group entities related to Vaishali Hitesh Mane.

Add Nutrition is registered since 2017 having GSTIN 27AGDPG3846K1Z9 and deals in the Pharmaceutical injections, Health Supplements and Gym gear. Its registered office is situated at Bldg Number -5, Gala Number - 9, Mahalaxmi Ind CSL, Jogani Industrial Complex V N Purav Marg, Sion Chunabhatti, Mumbai City, Maharashtra, 400022.

### **GUARANTEES PROVIDED BY OUR PROMOTERS**

Except as stated in the chapter titled “*Financial Indebtedness*” and section titled “*Restated Financial Statements*” beginning on page 236 and 192 of this Draft Red Herring Prospectus, respectively, there are no material guarantees given by our Promoters to third parties with respect to any loans of the Company as on the date of this Draft Red Herring Prospectus.

### **DISASSOCIATION OF PROMOTERS IN THE LAST THREE YEARS:**

None of our Promoters have not disassociated themselves from any other company or firm in the three years preceding the date of this Draft Red Herring Prospectus:

### **OUR PROMOTER GROUP**

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

#### **a. Natural persons who are part of our Individual Promoter Group:**

<b>Relationship with Promoter</b>	<b>Devang Champaklall Goradia</b>
Father	Late Champakbhai M Goradia
Mother	Rasila Goradia
Spouse	-
Brother(s)	Gaurang Champaklall Goradia
Sister(s)	Vaishali Hitesh Mane
Son(s)	-
Daughter(s)	-
Spouse's Father	-
Spouse's Mother	-
Spouse's Brother(s)	-
Spouse's Sister(s)	-

Relationship with Promoter	Gaurang Champaklal Goradia
Father	Late Champakbhai M Goradia
Mother	Rasila Goradia
Spouse	-
Brother(s)	Devang Champaklal Goradia
Sister(s)	Vaishali Hitesh Mane
Son(s)	-
Daughter(s)	-
Spouse's Father	-
Spouse's Mother	-
Spouse's Brother(s)	-
Spouse's Sister(s)	-

Relationship with Promoter	Vaishali Hitesh Mane
Father	Late Champakbhai M Goradia
Mother	Rasila Goradia
Spouse	Hitesh Pandurang Mane
Brother(s)	Devang Champaklal Goradia Gaurang Champaklal Goradia
Sister(s)	-
Son(s)	Ansh Hitesh Mane
Daughter(s)	Drishi Hitesh Mane
Spouse's Father	Late Ganpat Pandurang Mane
Spouse's Mother	Late Narmada Pandurang Mane
Spouse's Brother(s)	-

**b. Companies / entities forming part of the Promoter Group**

Sr. No.	Name of the entities
1.	*Add Nutrition
2.	^Perfect Body

*\*Add Nutrition is a Proprietorship firm, a Promoter Group Entity related to Vaishali Hitesh Mane. The firm has GSTIN 27AGDPG3846K1Z9 and deals in the Pharmaceutical injections, Health Supplements and Gym gear.*

*^ Perfect Body (Proprietorship of Mr. Gaurang Champaklal Goradia) has inactivated its GST registration following the cessation of business activities.*

**Shareholding of the Promoter Group in our Company**

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please refer the chapter titled “*Capital Structure*” beginning on page 68 of this Draft Red Herring Prospectus.

## OUR GROUP COMPANIES

The definition of 'Group Companies' as per the SEBI ICDR Regulations, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which the Restated Financial Statements is disclosed, as covered under the applicable accounting standards, and also other companies as considered Material by the board. Further, pursuant to a resolution of our Board dated March 24, 2025, 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 applicable accounting standards), as disclosed in the Restated Financial Information; or
- (b) if such company fulfils both the below mentioned conditions:
  - i. such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and
  - ii. Companies who entered into one or more transactions with such Company in preceding fiscal period, for which Restated Consolidated Financial Information are being included which individually or cumulatively in value exceeds five (05) per cent of the consolidated revenue from operations of the Company for the last completed Fiscal as per the Restated Consolidated Financial Information.

Accordingly, based on the parameters outlined above, our Company does not have any group company as on the date of this Draft Red Herring Prospectus.

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## DIVIDEND POLICY

Under the Companies Act, 2013, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Board of Directors, pursuant to a resolution dated March 24, 2025, have adopted a dividend distribution policy. The Board shall inter alia consider the following parameters before declaring or recommending the Dividend including but not limited to: statutory regulatory parameters, financial parameters and internal factors such as financial performance, available distributable reserves, working capital requirements, likelihood of crystallisation of contingent liabilities, cost of borrowing, past dividend payout, upgradation of physical infrastructure, earnings per share, fund requirement for contingencies and unforeseen events with financial implications, capital expenditure requirement such as business expansion, technological advancement, corporate restructuring including investments in subsidiaries, joint ventures and associates of the Company, cash balance and operating cash flows of the Company or any other factor as may be deemed fit by the Board or external factors such as economic conditions, financing costs, government regulations, global conditions and taxation policy of the Government. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board.

For details of risks in relation to our capability to pay dividend, please refer to *Risk Factor –42. “We have not paid any dividends in the past years. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.”* on page 43 of this Draft Red Herring Prospectus.

Our Company has not paid/ declared any dividend in the last three years from the date of this Draft Red Herring Prospectus.

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## SECTION VII – FINANCIAL INFORMATION

### RESTATED FINANCIAL STATEMENTS

#### Independent Auditors' Examination Report on Restated Financial Information of ARC Distributors (I) Limited

To,  
The Board of Directors of  
ARC Distributors (I) Limited  
ARC House, Plot No. 8, Sec - 08, RSC - 7, Off Turzon Road,  
Charkop, Kandivali (W), Mumbai - 400 067, Maharashtra, India.

Dear Sir / Madam,

1. We, RHDB & CO LLP have examined the attached Restated Financial Information of ARC Distributors (I) Limited (formerly known as ARC Distributors (I) Private Limited) (the "Company" or the "Issuer"), comprising the Restated Balance sheet for the nine month stub period ended December 31, 2024 and financial years ended March 31, 2024; March 31, 2023 and March 31, 2022 (the "reporting periods"), the Restated Statement of Profit and Loss; the Restated Cash Flow Statement for the above-mentioned reporting periods, the Summary Statement of Significant Accounting Policies and other explanatory information (collectively, the "Restated Financial Information"), as prepared by the Company and approved by the Board of Directors of the Company at their meeting held on April 24, 2025 for the purpose of inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus (together the "Offer Documents") prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares ("IPO") on the SME Platform of the Bombay Stock Exchange of India Limited ("BSE").

These restated financial information have been prepared in terms of the requirements of:

- a. Section 26 of Part I of Chapter III to the Companies Act, 2013 ("the Act");
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations"); and
  - c. The Guidance Note on Reports in Company Prospectus (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 Offer Documents to be filed with the Securities and Exchange Board of India, relevant stock exchange(s) and Registrar of Companies, Mumbai ("RoC") in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 1 to the Restated Financial Information. The responsibility of the Board of Directors of the Company includes and is not limited to designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
3. We have examined such Restated Financial Information taking into consideration:
    - a. Section 26 of Part I of Chapter III to the Companies Act, 2013 ("the Act");
    - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 ("ICDR Regulations"); and
    - c. The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended from time to time (the "Guidance Note"). The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

- d. The terms of reference to our engagements with the Company requesting us to carry out the assignment, in connection with the Offer documents being issued by the Company for its proposed IPO of equity shares; and
- e. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information.

Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Issue.

4. We have also examined the below mentioned other explanatory information as mentioned in point no. 1 above and included in the offer document prepared by the management and approved by the board of directors and annexed to this report:

Particulars	Note No.
Basis Of Preparation And Material Accounting Policies	1
Share Capital As Restated	2
Reserves And Surplus As Stated	3
Long Term Provisions As Restated	4
Short - Term Borrowings As Restated	5
Trade Payables As Restated	6
Other Current Liabilities As Restated	7
Short - Term Provisions As Restated	8
Property, Plant And Equipments As Restated	9
Deferred Tax Assets (Net) As Restated	10
Long Term Loans And Advances As Restated	11
Other Non - Current Assets As Restated	12
Current Investments As Restated	13
Inventories As Restated	14
Trade Receivables As Restated	15
Cash And Bank Balances As Restated	16
Short - Term Loans And Advances As Restated	17
Other Current Assets As Restated	18
Revenue From Operations (Net) As Restated	19
Other Incomes As Restated	20
Purchase Of Traded Goods As Restated	21
Changes In Inventory Of Traded Goods As Restated	22
Employee Benefit Expenses As Restated	23
Finance Costs As Restated	24
Depreciation And Amortisation Expenses As Restated	25
Other Expenses As Restated	26
Ratio Analysis As Restated	27
Expenses And Remittances In Foreign Currencies During The Period As Restated	28
Employee Benefits As Restated	29
Related Party Disclosures As Restated	30
Disclosure On Segmental Reporting As Restated	31
Disclosure On Contingent Liability As Restated	32
Disclosure On Capital Commitments As Restated	33



Particulars	Note No.
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Earnings Per Share As Restated	35
Disclosures Of Loans And Advances In The Nature Of Loans Granted As Restated	36
Reconciliation Between Various Components Of Audited Financials And Restated Financials	37
Statement Of Tax Shelter As Restated	38
Capitalisation Statement As At 31 December 2024 As Restated	39
Other Statutory Information As Restated	40

5. These Restated Financial Information have been compiled by the management from Audited special purpose financial statements for the stub period ending December 31, 2024 and the audited financial statements for the years ended March 31, 2024; March 31, 2023 and March 31, 2022 prepared in accordance with AS as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules 2006, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on April 24, 2025.
6. The restated financial information pertaining to the financial years ended March 31, 2024; March 31, 2023 and March 31, 2022 has been extracted and compiled by the management from the respective audited financial statements. The financial statements for the above-mentioned financial years have been audited by us. For the purpose of our examination, we have relied on our Auditor's report and the audited financial statements issued by us for the above-mentioned financial years.
7. In terms of Schedule VI (Part A) (11) (II) (A) (i) of the SEBI (ICDR) Regulations, 2018 and other provisions relating to accounts of ARC Distributors (I) Limited, we, R H D B & Co. LLP, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and our certificate is valid as on date.
8. Based on our examination, we further report that:
  - a. The Restated Statement of Balance Sheet as set out in this report, of the Company for the reporting periods are prepared by the Company and approved by the Board of Directors. These Restated Balance Sheet have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Financial Statement as set out in this Report.
  - b. The Restated Statement of Profit and Loss as set out in this report of the Company for the reporting periods are prepared by the Company and approved by the Board of Directors. These Restated Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Financial Statement as set out in this Report.
  - c. The Restated Statement of Cash Flow as set out in this report of the Company for the reporting periods are prepared by the Company and approved by the Board of Directors. These Restated Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Standalone Financial Statement as set out in this Report.
  - d. The restated financial information have been made after incorporating adjustments for:
    - i. The changes in accounting policies, material errors and regrouping/ reclassifications retrospectively to reflect the same accounting treatment across all the reporting periods.
    - ii. Provisions for Gratuity for the financial years ended on March 31, 2023; March 31, 2022 in order to report the same as per the principles laid out in Accounting standard 15 on 'Employee Benefits'.
    - iii. Provisions for Diminution in value of Investments for the financial years ended on March 31, 2024; March 31, 2023; March 31, 2022 in order to report the same as per the principles laid out in Accounting standard 13 on 'Accounting for Investments'.

- iv. Allowance for Bad and doubtful debts for the financial years ended on March 31, 2024; March 31, 2023; March 31, 2022.
- e. There were no qualifications in the Audit Reports issued by the Statutory Auditors for the financial years ended on March 31, 2024; March 31, 2023; March 31, 2022 which would require adjustments in this Restated Financial Statements of the Company.
- f. The Company has not paid any dividend since its incorporation.
- 9. In our opinion, the Restated Financial Information have been prepared in accordance with Section 26 of Companies Act, 2013 and the SEBI Regulations and the Guidance Note on the Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI). Consequently, the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a result of these regrouping and adjustments, the amount reported in the financial information may not necessarily be the same as those appearing in the respective financial statements audited for the relevant years.
- 10. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to therein.
- 11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 12. Our report is intended solely for use of the Board of Directors for inclusion in the Offer documents to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies [Mumbai] in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **R H D B & Co LLP**

*Chartered Accountants*

Firm's Registration No: 132490W/W-100125

Sd/-

**Viral Shah**

*Partner*

Membership No: 189204

Mumbai

Date: April 24, 2025

**UDIN: 25189204BMJOXK8698**

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***RESTATED BALANCE SHEET***(All amounts are in INR Lacs, unless otherwise stated)*

Particulars	Note No.	As At 31 Dec 2024	As At 31 Mar 2024	As At 31 Mar 2023	As At 31 Mar 2022
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. Shareholders' funds</b>					
(a) Share capital	2	566.00	1.00	1.00	1.00
(b) Reserves and surplus	3	977.61	1104.30	208.97	90.86
<b>2. Non-current liabilities</b>					
(a) Long term provisions	4	8.86	6.73	7.36	6.36
<b>3. Current liabilities</b>					
(a) Short-term borrowings	5	0.00	0.00	0.00	1.03
(b) Trade payables	6				
(i) Dues to MSME		2.28	14.28	2.98	21.25
(ii) Dues to others		1596.98	1913.31	2010.54	1557.37
(c) Other current liabilities	7	44.03	18.00	21.64	23.51
(d) Short term provisions	8	92.88	1.58	1.69	2.07
<b>TOTAL</b>		<b>3288.64</b>	<b>3059.19</b>	<b>2254.17</b>	<b>1703.44</b>
<b>II. ASSETS</b>					
<b>1. Non-current assets</b>					
(a) Property, plant and equipment and Intangible assets					
i. Property, plant and equipment	9	40.05	52.47	51.96	28.32
(b) Deferred tax assets (Net)	10	10.00	9.36	8.32	8.21
(c) Long term loans and advances	11	38.82	0.00	0.00	0.00
(d) Other Non-current assets	12	12.42	11.51	10.97	10.97
<b>2. Current assets</b>					
(a) Current investments	13	1759.57	1546.08	825.46	613.82
(b) Inventories	14	751.30	968.52	650.25	466.04
(c) Trade receivables	15	408.18	250.46	430.18	335.14
(d) Cash and bank balances	16	252.55	152.72	172.43	35.41
(e) Short term loans and advances	17	15.75	68.04	104.58	205.53
(f) Other Current Asset	18	0.00	0.03	0.00	0.00
<b>TOTAL</b>		<b>3288.64</b>	<b>3059.19</b>	<b>2254.17</b>	<b>1703.44</b>

**Material Accounting Policies; and**  
**Notes forming an integral part of Restated Financial Information**

1  
2 - 40

**As per our report of even date attached**

For **R H D B & Co LLP**  
Chartered Accountants  
Firm's Registration No: 132490W/W-100125

For and on behalf of the Board of Directors  
**ARC DISTRIBUTORS (I) LIMITED**

Sd/-  
**Viral Shah**  
Partner  
Membership No: 189204

Sd/-  
**Devang Goradia**  
Managing Director  
DIN: 01951816

Sd/-  
**Pragnesh Patel**  
Company Secretary  
M.No.: A68465

Mumbai  
Date: April 24th, 2025

**UDIN: 25189204BMJOXK8698**

Sd/-  
**Gaurang Goradia**  
Whole-Time Director  
DIN: 02255895

Sd/-  
**Sanchit Sawant**  
Chief Financial Officer

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***RESTATED STATEMENT OF PROFIT AND LOSS***(All amounts are in INR Lacs, unless otherwise stated)*

Particulars	Note No.	For The Periods Ended As On			
		31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>I. INCOME</b>					
(a) Revenue from operations (net)	19	2415.91	3154.24	3304.49	2524.96
(b) Other Income	20	496.39	774.80	187.89	212.56
<b>TOTAL</b>		<b>2912.30</b>	<b>3929.04</b>	<b>3492.38</b>	<b>2737.52</b>
<b>II. EXPENDITURE</b>					
(a) Purchase of traded goods	21	1606.63	2834.40	2828.82	2203.16
(b) Changes in Inventory of traded goods	22	217.22	-318.27	-184.22	-131.40
(c) Employee benefit expenses	23	105.22	166.02	75.16	72.12
(d) Finance cost	24	0.00	0.00	0.02	1.08
(e) Depreciation and amortisation expenses	25	11.90	18.74	12.60	12.20
(f) Other Expenses	26	348.10	195.33	583.64	698.31
<b>TOTAL</b>		<b>2289.07</b>	<b>2896.23</b>	<b>3316.03</b>	<b>2855.47</b>
<b>III. PROFIT BEFORE EXCEPTIONAL; EXTRA ORDINARY ITEMS AND TAX</b>		<b>623.23</b>	<b>1032.82</b>	<b>176.36</b>	<b>-117.94</b>
<b>IV. EXCEPTIONAL ITEMS</b>		0.00	0.00	0.00	0.00
<b>V. EXTRA ORDINARY ITEMS</b>		0.00	0.00	0.00	0.00
<b>VI. PROFIT BEFORE TAX</b>		<b>623.23</b>	<b>1032.82</b>	<b>176.36</b>	<b>-117.94</b>
<b>VII. TAX EXPENSE:</b>					
(1) Current tax		-185.57	-138.52	-58.36	-28.84
(2) Deferred tax		0.65	1.03	0.11	0.37
<b>VIII. PROFIT / (LOSS) FOR THE YEAR</b>		<b>438.31</b>	<b>895.33</b>	<b>118.11</b>	<b>-146.42</b>
<b>IX. EARNINGS PER EQUITY SHARE</b>	35				
<i>(nominal value of share Rs. 10, basic and diluted)</i>					
(1) Basic		7.74	15.82	2.09	(2.59)
(2) Diluted		7.74	15.82	2.09	(2.59)

**Material Accounting Policies; and**  
**Notes forming an integral part of Restated Financial Information**

1  
2 - 40

As per our report of even date attached

For **R H D B & Co LLP**  
Chartered Accountants  
Firm's Registration No: 132490W/W-100125

For and on behalf of the Board of Directors  
**ARC DISTRIBUTORS (I) LIMITED**

Sd/-  
**Viral Shah**  
Partner  
Membership No: 189204

Mumbai  
Date: April 24th, 2025

**UDIN: 25189204BMJOXK8698**

Sd/-  
**Devang Goradia**  
Managing Director  
DIN: 01951816

Sd/-  
**Gaurang Goradia**  
Whole-Time Director  
DIN: 02255895

Sd/-  
**Pragnesh Patel**  
Company Secretary  
M.No.: A68465

Sd/-  
**Sanchit Sawant**  
Chief Financial Officer

**ARC DISTRIBUTORS (I) LIMITED**
*(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)*
**RESTATED CASH FLOW STATEMENT**
*(All amounts are in INR Lacs, unless otherwise stated)*

Particulars	For The Periods Ended As On			
	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>A. Cash flow from operating activities</b>				
Profit / (Loss) before tax	623.23	1032.82	176.36	-117.94
<b>Adjustments for non-cash transactions:</b>				
Depreciation	11.90	18.74	12.60	12.20
Gratuity provision / (reversal)	0.92	-0.74	2.27	0.00
Diminution in value of investments (net)	193.49	-349.15	67.78	281.38
Allowance for bad and doubtful debts	0.00	1.53	0.00	0.50
Balances written back	-37.55	-0.20	0.00	-0.84
Unrealised foreign exchange (gain) / loss	-61.09	-23.79	76.89	-18.18
<b>Items considered separately:</b>				
Interest & Finance Charges	0.00	0.00	0.02	1.08
Profit on Sale of Motor Car	-3.92	0.00	-2.49	0.00
Profit on sale of investments	-333.03	-389.61	-32.02	-158.12
Interest income on fixed deposits	-1.49	-0.84	-2.06	-1.08
Dividend income	-30.46	-19.59	-10.53	-6.11
<b>Operating profit / (loss) before working capital changes</b>	<b>362.01</b>	<b>269.14</b>	<b>288.82</b>	<b>-7.13</b>
<b>Changes in working capital:</b>				
Adjustments for (increase) / decrease in assets:				
Inventories	217.22	-318.27	-184.22	-131.40
Trade receivables	-157.72	178.60	-95.06	28.28
Short term loans and advances	52.29	60.37	401.69	-192.05
Other current assets	0.03	-0.03	0.00	0.00
Adjustments for increase / (decrease) in liabilities:				
Trade payables	-328.32	-100.13	436.94	239.28
Short-term provisions	91.30	0.00	0.00	0.00
Other current liabilities	26.03	10.24	-3.61	-26.69
<b>Cash generated from operations</b>	<b>262.84</b>	<b>99.92</b>	<b>844.56</b>	<b>-89.71</b>
Taxes Paid towards operating activities	-57.29	-70.28	-50.30	-0.02
<b>Net cash generated from operating activities (A)</b>	<b>205.54</b>	<b>29.65</b>	<b>794.26</b>	<b>-89.73</b>
<b>B. Cash flow from investing activities</b>				
Outflow on purchase of Property, plant and equipments	-1.56	-16.78	-41.40	-1.48
Outflow on purchase of Equity Shares	-1362.92	-7556.30	-2884.82	-1473.47
Outflow on purchase of fixed deposits	-1143.00	-994.06	-3298.77	-1872.64
Outflow on tax paid towards investing activities	-35.76	-68.24	-8.06	-28.82
Inflow on sale of Property, plant and equipments	6.00	0.00	14.46	0.00
Inflow on sale of Equity Shares	1486.58	7571.53	2251.04	1529.89
Inflow on maturity of fixed deposits	913.00	994.06	3298.77	1872.64
Interest income on fixed deposits	1.49	0.84	2.06	1.08
Inflow from dividend income	30.46	19.59	10.53	6.11
<b>Net cash flow generated from investing activities (B)</b>	<b>-105.72</b>	<b>-49.36</b>	<b>-656.19</b>	<b>33.31</b>

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***RESTATED CASH FLOW STATEMENT***(All amounts are in INR Lacs, unless otherwise stated)*

Particulars	For The Periods Ended As On			
	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>C. Cash flow from financing activities</b>				
Inflow from long term borrowings	0.00	0.00	0.00	0.00
Outflow from long term borrowings	0.00	0.00	0.00	-4.17
Outflow from short term borrowings	0.00	0.00	-1.03	-34.62
Outflow of Interest expenses	0.00	0.00	-0.02	-1.08
<b>Net cash flow generated from financing activities (C)</b>	<b>0.00</b>	<b>0.00</b>	<b>-1.04</b>	<b>-39.87</b>
<b>Net increase / (decrease) in cash / cash equivalents (A+B+C)</b>	99.83	-19.71	137.02	-96.29
<b>Add: Cash and cash equivalents at beginning of the year</b>	152.72	172.43	35.41	131.70
<b>Cash and cash equivalents at end of the year</b>	<b>252.55</b>	<b>152.72</b>	<b>172.43</b>	<b>35.41</b>

**Note:**

- The above restated cash flow statement has been prepared under the indirect method as set out in AS-3 on Cash Flow Statements notified under the relevant provisions of the Companies Act, 2013.
- Figures in brackets represent outflows.

**As per our report of even date attached**For **R H D B & Co LLP**

Chartered Accountants

Firm's Registration No: 132490W/W-100125

For and on behalf of the Board of Directors

**ARC DISTRIBUTORS (I) LIMITED**

Sd/-

**Viral Shah**

Partner

Membership No: 189204

Mumbai

Date: April 24th, 2025

**UDIN: 25189204BMJ0XK8698**

Sd/-

**Devang Goradia**

Managing Director

DIN: 01951816

Sd/-

**Gaurang Goradia**

Whole-Time Director

DIN: 02255895

Sd/-

**Pragnesh Patel**

Company Secretary

M.No.: A68465

Sd/-

**Sanchit Sawant**

Chief Financial Officer

## ARC DISTRIBUTORS (I) LIMITED

(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)

### NOTES TO RESTATED FINANCIAL STATEMENTS

#### A Corporate Information

ARC Distributors (I) Limited is a Company domiciled in India and incorporated under the provisions of the Companies Act 1956. It was originally incorporated as a Private Limited Company and later in financial year 2024-25 it was converted into a Public Limited Company.

#### B Note 1: Material Accounting Policies

##### 1 Basis of Preparation

This restated financial statements has been prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021 and the provisions of the Companies Act, 2013. The accounting policy have been consistently applied by the Company and are consistent with those used in previous years except in case of better disclosure of relevant reliable information and matching concepts. The Company has rounded off all the amounts in Lacs in these restated financial statements and two decimals thereof, unless otherwise specifically stated.

##### 2 Summary of Significant Accounting Policies

###### a. Use of Estimates

The preparation of the restated financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of the assets and liabilities (including contingent liabilities) and the reported income and expenses during the period. Although these estimates are based on management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring as material adjustment to the carrying amount of assets or liabilities in the future periods.

###### b. AS - 2 : Valuation of Inventories

Inventories are valued at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including custom duty, octroi, conversion charges and other levies, transit insurance and receiving charges.

###### c. AS - 3 : Cash Flow Statements

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

###### d. AS - 4 : Events Occurring after the Balance Sheet date

Assets and Liabilities are adjusted for events occurring after the Balance Sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the Balance sheet date.

###### e. AS - 5 : Net Profit or Loss for the Period, Prior Period Items, and changes in Accounting Policies

Significant items of Extra-Ordinary Items, and Prior Period Incomes and Expenditures, are accounted in accordance with Accounting Standard 5.

###### f. AS - 9 : Revenue Recognition

###### Revenue from Sale of goods

Revenue from sale of goods is recognised when the Company, has transferred to the buyer the significant risks and rewards of ownership, no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Depending on the contractual terms, risks and rewards of ownership is transferred when the delivery is completed. In case of export sale, delivery is completed on issuance of bill of lading.

###### Revenue from Sale of services

Revenue from sale of services is recognised when the contract is completed or substantially completed and no significant uncertainty exists regarding its collection. The company follows mercantile system of accounting and recognizes revenue and expenses on accrual basis except in case of significant uncertainties.

###### g. AS - 10 : Accounting for Property, Plant and Equipment's

###### Property, Plant and Equipment's & Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation (other than freehold land where no depreciation is charged). The Company capitalizes all costs relating to PPE till such assets are installed. Depreciation on PPE are provided for, on written down value method over the useful life of assets as prescribed in Schedule-II of the Companies Act, 2013.

## ARC DISTRIBUTORS (I) LIMITED

(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)

### NOTES TO RESTATED FINANCIAL STATEMENTS

#### h. AS - 11 : Foreign currency transactions

The financial statements of the Company are presented in Indian Rupees (Rs), which is the functional currency of the Company and the presentation currency for the financial statements. Generally, transactions in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted on actual payment / realisation. Exchange differences arising on settlement of monetary items are recognised in Statement of Profit and Loss except in case of exchange differences relating to fixed assets are adjusted in the cost of the assets, at time of its purchase. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

#### i. AS - 13 : Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investment are carried at lower of cost or fair value determined on an individual category basis. Long term investments are carried at cost. Provision for diminution in value is made to recognize a decline other than temporary in the valuation of the long term investments.

#### j. AS - 15 : Employee Benefits

##### Defined contribution plan:

Company's contributions paid / payable to Provident fund and ESIC are recognised in the statement of profit and loss for the year when the contribution to the fund is due at pre-determined rates. There were no defined contribution plans during the reporting periods.

##### Defined benefit plan:

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The past service cost of gratuity has been shown as an appropriation from the opening reserves. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit / obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit / obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses are determined.

All short-term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation / retirement. The gratuity is paid at 15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

#### k. AS - 16 : Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowings Costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowings costs are expensed in the period they occur.

#### l. AS - 17 : Segment reporting

There are no reportable segments as per AS-17 on Segmental Reporting.

#### m. AS - 18 : Related Party Transaction

All transactions that fall within the ambit of Related Parties are disclosed as Related Party Transaction in the Notes to Accounts.

#### n. AS - 20 : Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.



## **ARC DISTRIBUTORS (I) LIMITED**

*(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)*

### **NOTES TO RESTATED FINANCIAL STATEMENTS**

#### **o. AS - 22 : Accounting for Taxes on Income**

1. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with the Income Tax Act, 1961 that is enacted or substantially enacted on the reporting date.
2. Deferred tax liability/asset resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantially enacted as on Balance Sheet date. The deferred tax asset is recognized and earned forward only to the extent that there is reasonable certainty that the assets will be realized in future. The carrying amount of deferred tax assets are reviewed at each balance sheet date.

#### **p. AS - 26 : Intangible Assets**

Intangible assets are recognized when the assets is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the assets will flow to the company and cost of the assets can be reliably measured. The Company does not have any Intangible assets during the reporting periods.

#### **q. AS - 28 : Impairment of Assets**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal / external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than it's carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

#### **r. Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes if any. Contingent assets are not recognised in the financial statements.

#### **s. Cash and cash equivalents**

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

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**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated. Figures disclosing number of shares are stated as per actuals)***2 SHARE CAPITAL AS RESTATED****a Number and amount of shares**

Particulars	31 Dec 2024		31 Mar 2024		31 Mar 2023		31 Mar 2022	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Authorized capital</b>								
Equity shares of Rs. 10/- each **	85,00,000	850.00	50,000	5.00	50,000	5.00	50,000	5.00
<b>Issued, subscribed and paid up capital</b>								
Equity shares of Rs. 10/- each fully paid up	56,60,000	566.00	10,000	1.00	10,000	1.00	10,000	1.00

\*\* The Company has increased its Authorized Capital from Rs. 5 Lacs (50,000 shares, Rs. 10/- each) to Rs. 8.50 Crores (85 Lac shares, Rs. 10/- each)

**b Reconciliation of equity shares outstanding at the beginning and at the end of the reporting periods**

Particulars	31 Dec 2024		31 Mar 2024		31 Mar 2023		31 Mar 2022	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
At the commencement of the year	10,000	100	10,000	1.00	10,000	1.00	10,000	1.00
Add: Shares issued during the year **	56,50,000	56,500	-	0.00	-	0.00	-	0.00
<b>At the end of the year</b>	<b>56,60,000</b>	<b>56,600</b>	<b>10,000</b>	<b>1.00</b>	<b>10,000</b>	<b>1.00</b>	<b>10,000</b>	<b>1.00</b>

\*\* The Company issued 56,50,000 fully paid - up equity shares at par as bonus shares of Rs. 10 each to its existing shareholders on the record date by capitalising Profit & Loss Account. Five hundred and sixty five shares have been issued to shareholders for every one share held.

**c Terms / rights attached to Equity shares**

The Company has a single class of equity shares with par value of Rs.10 per share. Accordingly all the equity shares rank equally with regard to dividends and share in Company's residual assets. The equity shares are entitled to dividend as declared from time to time. The voting rights of an equity shareholders on a poll are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**d Particulars of shareholders holding more than 5% equity shares**

Name of Shareholders	31 Dec 2024		31 Mar 2024		31 Mar 2023		31 Mar 2022	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Devang Goradia	50,59,474	89.39%	9,000	90%	9,000	90%	9,000	90%
Vaishali Mane	5,66,000	10%	1,000	10%	1,000	10%	1,000	10%

**e Number of shares allotted for consideration other than cash, issue of bonus shares and shares bought back during the previous 5 years**

Particulars	Aggregate number of shares as at year end					
	31-Dec-24	31-Mar-24	31-Mar-23	31-Mar-22	31-Mar-21	31-Mar-20
<b>Equity shares:</b>						
Shares allotted by way of bonus shares	56,50,000	-	-	-	-	-

During the immediately preceeding five years from each of the reporting date: -

- 1) The Company has not issued any shares without consideration / without payment in cash in pursuance of a contract.
- 2) The Company has not bought back any shares.

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated. Figures disclosing number of shares are stated as per actuals)***2 SHARE CAPITAL AS RESTATED (Contd.)****f Details of shares held by Promoters and disclosure for % change in Promoter holdings during the year.**

Name of Shareholders	31 Dec 2024		31 Mar 2024		31 Mar 2023		31 Mar 2022	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Devang Goradia	50,59,474	89.39%	9,000	90%	9,000	90%	9,000	90%
Vaishali Mane	5,66,000	10%	1,000	10%	1,000	10%	1,000	10%

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**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***3 RESERVES AND SURPLUS AS STATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>Balance in statement of profit and loss :</b>				
- Balance at the beginning of reporting periods	1104.30	208.97	90.86	244.06
- Add: Transferred from profit and loss statement	438.31	895.33	118.11	-146.42
- Less: Past service cost of Gratuity Expenses	0.00	0.00	0.00	-6.78
- Less: Utilisation towards issue of Bonus shares	-565.00	0.00	0.00	0.00
<b>Balance at end of the year</b>	<b>977.61</b>	<b>1104.30</b>	<b>208.97</b>	<b>90.86</b>

**4 LONG TERM PROVISIONS AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
Provision for employee benefits:				
- Provision for gratuity	8.86	6.73	7.36	6.36
<b>Total</b>	<b>8.86</b>	<b>6.73</b>	<b>7.36</b>	<b>6.36</b>

**5 SHORT - TERM BORROWINGS AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>Secured:</b>				
<u>Loan repayable on demand:</u>				
- Term loans from financial institution	0.00	0.00	0.00	1.03
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.03</b>

Additional information towards above borrowings: -

a. Type of Loan	Vehicle loan
b. Name of Financial Institution	Yes Bank Limited
c. Security	Hypothecation of vehicle
d. Loan disbursed originally	INR 11.89 Lacs
e. Loan tenure	37 months
f. Interest rate	approximately 8% p.a.
g. Repayment start date	02-Jun-19
h. Repayment end date	02-Jun-22
i. Instalments due as on the reporting date	3 instalments due

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**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***6 TRADE PAYABLES AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
Dues of micro and small enterprises	2.28	14.28	2.98	21.25
Dues to others	1596.98	1913.31	2010.54	1557.37
<b>Total</b>	<b>1599.27</b>	<b>1927.58</b>	<b>2013.52</b>	<b>1578.62</b>

**A. Details of dues to micro small and medium enterprises:**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Principal amount outstanding	2.28	14.28	2.98	21.25
- Interest due thereon	0.00	0.00	0.00	0.00
- Interest paid on delayed payments	0.00	0.00	0.00	0.00
<b>Total</b>	<b>2.28</b>	<b>14.28</b>	<b>2.98</b>	<b>21.25</b>

**B. Trade Payables Ageing Schedule:**

As at 31 Dec 2024	Outstanding for following periods from due date of payment					
	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i. MSME	0.00	2.13	0.15	0.00	0.00	2.28
ii. Others	1.47	1314.60	240.28	1.19	39.45	1596.98
iii. Disputed dues- MSME	0.00	0.00	0.00	0.00	0.00	0.00
iv. Disputed dues - Others	0.00	0.00	0.00	0.00	0.00	0.00

As at 31 Mar 2024	Outstanding for following periods from due date of payment					
	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i. MSME	0.00	14.28	0.00	0.00	0.00	14.28
ii. Others	15.69	1347.14	446.00	5.85	98.63	1913.31
iii. Disputed dues- MSME	0.00	0.00	0.00	0.00	0.00	0.00
iv. Disputed dues - Others	0.00	0.00	0.00	0.00	0.00	0.00

As at 31 Mar 2023	Outstanding for following periods from due date of payment					
	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i. MSME	0.00	2.75	0.22	0.01	0.00	2.98
ii. Others	1.40	1636.38	120.33	252.44	0.00	2010.54
iii. Disputed dues- MSME	0.00	0.00	0.00	0.00	0.00	0.00
iv. Disputed dues - Others	0.00	0.00	0.00	0.00	0.00	0.00

As at 31 Mar 2022	Outstanding for following periods from due date of payment					
	Unbilled dues	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i. MSME	0.00	21.25	0.01	0.00	0.00	21.25
ii. Others	1.51	1072.92	501.02	0.00	-18.09	1557.37
iii. Disputed dues- MSME	0.00	0.00	0.00	0.00	0.00	0.00
iv. Disputed dues - Others	0.00	0.00	0.00	0.00	0.00	0.00

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***7 OTHER CURRENT LIABILITIES AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Advances from customers	11.06	15.31	10.93	10.72
- <u>Expenses payable:</u>				
Salary payable	31.23	0.00	0.00	0.00
- <u>Statutory dues payable:</u>				
TDS / TCS	0.42	2.65	10.67	1.66
GST	0.00	0.00	0.00	11.10
Employee welfare funds	1.32	0.04	0.03	0.03
<b>Total</b>	<b>44.03</b>	<b>18.00</b>	<b>21.64</b>	<b>23.51</b>

**8 SHORT - TERM PROVISIONS AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
Provision for employee benefits:				
- Provision for gratuity	0.36	1.57	1.69	0.42
- Provision for Income tax (net of prepaid taxes)	92.52	0.01	0.00	1.65
<b>Total</b>	<b>92.88</b>	<b>1.58</b>	<b>1.69</b>	<b>2.07</b>

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**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***9 PROPERTY, PLANT AND EQUIPMENTS AS RESTATED****i) PROPERTY, PLANT AND EQUIPMENTS**

Description	Gross Block				Accumulated Depreciation / Amortisation				Net Carrying Value	
	As at 01-Apr-24	Additions	Disposals / Write off	As at 31-Dec-24	As at 01-Apr-24	Depreciation for the period	Disposals / Adjustment	As at 31-Dec-24	As at 31-Dec-24	As at 01-Apr-24
Furniture / Fixtures	0.48	0.05	0.00	0.53	0.21	0.02	0.00	0.23	0.30	0.27
Vehicles	140.60	0.00	-22.47	118.13	95.00	10.47	-20.39	85.08	33.06	45.61
Office Equipments	9.53	0.54	0.00	10.07	3.57	0.72	0.00	4.28	5.79	5.97
Computers	3.02	0.98	0.00	4.00	2.40	0.70	0.00	3.10	0.90	0.62
<b>TOTAL</b>	<b>153.64</b>	<b>1.56</b>	<b>-22.47</b>	<b>132.73</b>	<b>101.17</b>	<b>11.90</b>	<b>-20.39</b>	<b>92.68</b>	<b>40.05</b>	<b>52.47</b>

Description	Gross Block				Accumulated Depreciation / Amortisation				Net Carrying Value	
	As at 01-Apr-23	Additions	Disposals / Write off	As at 31-Mar-24	As at 01-Apr-23	Depreciation for the year	Disposals / Adjustment	As at 31-Mar-24	As at 31-Mar-24	As at 01-Apr-23
Furniture / Fixtures	0.48	0.00	0.00	0.48	0.17	0.03	0.00	0.21	0.27	0.30
Vehicles	125.84	14.77	0.00	140.60	80.31	17.14	-2.46	95.00	45.61	45.52
Office Equipments	8.28	1.25	0.00	9.53	2.57	0.99	0.00	3.57	5.97	5.71
Computers	2.26	0.76	0.00	3.02	1.83	0.58	0.00	2.40	0.62	0.43
<b>TOTAL</b>	<b>136.85</b>	<b>16.78</b>	<b>0.00</b>	<b>153.64</b>	<b>84.89</b>	<b>18.74</b>	<b>-2.46</b>	<b>101.17</b>	<b>52.47</b>	<b>51.96</b>

Description	Gross Block				Accumulated Depreciation / Amortisation				Net Carrying Value	
	As at 01-Apr-22	Additions	Disposals / Write off	As at 31-Mar-23	As at 01-Apr-22	Depreciation for the year	Disposals / Adjustment	As at 31-Mar-23	As at 31-Mar-23	As at 01-Apr-22
Furniture / Fixtures	0.36	0.12	0.00	0.48	0.15	0.03	0.00	0.17	0.30	0.21
Vehicles	110.05	36.14	-20.35	125.84	83.81	11.70	-15.20	80.31	45.52	26.24
Office Equipments	3.80	4.48	0.00	8.28	1.94	0.63	0.00	2.57	5.71	1.87
Computers	1.59	0.67	0.00	2.26	1.59	0.24	0.00	1.83	0.43	0.00
<b>TOTAL</b>	<b>115.80</b>	<b>41.40</b>	<b>-20.35</b>	<b>136.85</b>	<b>87.48</b>	<b>12.60</b>	<b>-15.20</b>	<b>84.89</b>	<b>51.96</b>	<b>28.32</b>

Description	Gross Block				Accumulated Depreciation / Amortisation				Net Carrying Value	
	As at 01-Apr-21	Additions	Disposals / Write off	As at 31-Mar-22	As at 01-Apr-21	Depreciation for the year	Disposals / Adjustment	As at 31-Mar-22	As at 31-Mar-22	As at 01-Apr-21
Furniture / Fixtures	0.36	0.00	0.00	0.36	0.12	0.02	0.00	0.15	0.21	0.23
Vehicles	110.05	0.00	0.00	110.05	71.89	11.92	0.00	83.81	26.24	38.16
Office Equipments	2.32	1.48	0.00	3.80	1.69	0.25	0.00	1.94	1.87	0.64
Computers	1.59	0.00	0.00	1.59	1.58	0.01	0.00	1.59	0.00	0.01
<b>TOTAL</b>	<b>114.33</b>	<b>1.48</b>	<b>0.00</b>	<b>115.80</b>	<b>75.28</b>	<b>12.20</b>	<b>0.00</b>	<b>87.48</b>	<b>28.32</b>	<b>39.04</b>

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***10 DEFERRED TAX ASSETS (NET) AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
The primary components that gave rise to deferred tax liabilities and assets are as follows:				
- Opening Deferred tax asset	9.36	8.32	8.21	7.84
<u>Tax effects of timing differences of the below:</u>				
- Depreciation	0.47	1.17	0.11	0.37
- Provision for employee benefits	0.23	-0.19	0.00	0.00
- Section 43B disallowances	-0.05	0.05	0.00	0.00
<b>Total</b>	<b>10.00</b>	<b>9.36</b>	<b>8.32</b>	<b>8.21</b>

**11 LONG TERM LOANS AND ADVANCES AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Balances with revenue authorities **	38.82	0.00	0.00	0.00
<b>Total</b>	<b>38.82</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

\*\*The Company is in Appeal with the VAT and Customs department towards the above balances disclosed.

**12 OTHER NON - CURRENT ASSETS AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Security deposits	11.87	10.97	10.97	10.97
- Bank deposits with maturity more than 12 months **	0.55	0.54	0.00	0.00
<b>Total</b>	<b>12.42</b>	<b>11.51</b>	<b>10.97</b>	<b>10.97</b>

\*\* Bank deposits held as above are marked as lien by the VAT revenue authorities in the matter of appeal.

**13 CURRENT INVESTMENTS AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Investments in equity shares (quoted)	1759.57	1546.08	825.46	613.82
Market Value of Shares (quoted)	1759.57	1603.79	825.46	613.82
<b>Total</b>	<b>1759.57</b>	<b>1546.08</b>	<b>825.46</b>	<b>613.82</b>

a. Non-current investments are re-classified as current investments. The said re-classification is done as per the principles stated in AS-13 i.e. lower of cost and carrying value of investments. Carrying value is considered category wise.

b. Current investments are measured as as per the principles stated in AS-13 i.e. lower of cost and fair value of investments. Fair value is considered category wise.

**14 INVENTORIES AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Stock in trade	751.30	968.52	650.25	466.04
<b>Total</b>	<b>751.30</b>	<b>968.52</b>	<b>650.25</b>	<b>466.04</b>

Inventories are valued at lower of cost and net realisable value.



**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***15 TRADE RECEIVABLES AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- <b>For a period exceeding six months:</b>				
Unsecured, considered good	36.91	28.64	25.72	41.83
Allowance for bad and doubtful debts **	-2.03	-2.03	-0.50	-0.50
- <b>Others</b>				
Unsecured, considered good	373.30	223.85	404.96	293.82
<b>Total</b>	<b>408.18</b>	<b>250.46</b>	<b>430.18</b>	<b>335.14</b>

\*\* The Company creates an adhoc 10% allowance for bad and doubtful debts for receivables that are disputed and have been outstanding for more than three years only. This provision is made based on the likelihood of non-recovery. This assessment is reviewed annually, considering historical trends and current credit risk.

**A. Trade Receivables Ageing Schedule:**

As at 31 Dec 2024	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i. Undisputed - considered good	373.30	12.27	1.78	0.16	0.13	387.65
ii. Undisputed - considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
iii. Disputed - considered good	0.00	0.00	2.23	0.00	20.33	22.56
iv. Disputed - considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
v. Allowance for bad and doubtful debts	0.00	0.00	0.00	0.00	-2.03	-2.03
<b>vi. Total</b>	<b>373.30</b>	<b>12.27</b>	<b>4.01</b>	<b>0.16</b>	<b>18.43</b>	<b>408.18</b>

As at 31 Mar 2024	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i. Undisputed - considered good	223.85	3.81	0.93	0.28	1.06	229.93
ii. Undisputed - considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
iii. Disputed - considered good	0.00	0.54	1.69	0.00	20.33	22.56
iv. Disputed - considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
v. Allowance for bad and doubtful debts	0.00	0.00	0.00	0.00	-2.03	-2.03
<b>vi. Total</b>	<b>223.85</b>	<b>4.36</b>	<b>2.61</b>	<b>0.28</b>	<b>19.36</b>	<b>250.46</b>

As at 31 Mar 2023	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i. Undisputed - considered good	403.27	2.31	1.25	1.23	0.00	408.06
ii. Undisputed - considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
iii. Disputed - considered good	1.69	0.00	0.00	15.93	5.00	22.62
iv. Disputed - considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
v. Allowance for bad and doubtful debts	0.00	0.00	0.00	0.00	-0.50	-0.50
<b>vi. Total</b>	<b>404.96</b>	<b>2.31</b>	<b>1.25</b>	<b>17.16</b>	<b>4.50</b>	<b>430.18</b>

As at 31 Mar 2022	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i. Undisputed - considered good	293.82	11.99	5.73	0.00	0.00	311.53
ii. Undisputed - considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
iii. Disputed - considered good	0.00	0.00	19.12	0.00	5.00	24.12
iv. Disputed - considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00
v. Allowance for bad and doubtful debts	0.00	0.00	0.00	0.00	-0.50	-0.50
<b>vi. Total</b>	<b>293.82</b>	<b>11.99</b>	<b>24.84</b>	<b>0.00</b>	<b>4.50</b>	<b>335.14</b>

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***16 CASH AND BANK BALANCES AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- <u>Cash and cash equivalents:</u>				
Balances with banks	21.94	152.69	172.40	35.36
Cash on hand	0.00	0.03	0.03	0.05
- <u>Other bank balances:</u>				
Bank deposits with maturity less than 12 months	230.61	0.00	0.00	0.00
<b>Total</b>	<b>252.55</b>	<b>152.72</b>	<b>172.43</b>	<b>35.41</b>

**17 SHORT - TERM LOANS AND ADVANCES AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>Unsecured, considered good</b>				
- Loans and advances to related parties:				
Loans to related party	0.00	0.00	0.00	28.40
Loans to directors	0.00	12.64	18.64	121.01
Trade advance to related party	0.00	0.00	0.00	1.99
- Other loans and advances:				
Loans and advances to employees	0.00	0.20	0.25	0.25
Advances to suppliers	12.59	14.49	16.91	24.57
Prepaid expenses	1.27	1.53	1.42	0.19
Balances with revenue authorities	1.89	39.19	67.36	29.12
<b>Total</b>	<b>15.75</b>	<b>68.04</b>	<b>104.58</b>	<b>205.53</b>

**18 OTHER CURRENT ASSETS AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Dividend Receivable	0.00	0.03	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.03</b>	<b>0.00</b>	<b>0.00</b>

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**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***19 REVENUE FROM OPERATIONS (NET) AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Sale of products	2412.83	3150.73	3303.14	2523.70
- Sale of services	-	1.95	-	-
- Other operating revenue	3.08	1.56	1.35	1.25
<b>Total</b>	<b>2415.91</b>	<b>3154.24</b>	<b>3304.49</b>	<b>2524.96</b>

**20 OTHER INCOMES AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- <u>Interest income:</u>				
Interest on fixed deposit	1.49	0.84	2.06	1.08
Other interest income	0.56	0.00	0.96	0.00
- <u>Income from Investment</u>				
Dividend income	30.46	19.59	10.53	6.11
Gain from speculation and derivative trading (net)	0.00	1.50	139.83	2.69
Profit on sale of investments	333.03	389.61	32.02	158.12
Reversal of provision for diminution in value of investment (net)	0.00	349.15	0.00	0.00
- Commision	18.38	0.00	0.00	0.00
- Foreign exchange gain	71.01	13.15	0.00	43.71
- Balances written back	37.55	0.20	0.00	0.84
- Gratuity provision reversal	0.00	0.74	0.00	0.00
- Profit on sale of Motor Car	3.92	0.00	2.49	0.00
<b>Total</b>	<b>496.39</b>	<b>774.80</b>	<b>187.89</b>	<b>212.56</b>

**21 PURCHASE OF TRADED GOODS AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- <u>Purchase:</u>				
Purchase of goods	1578.05	2786.77	2762.81	2176.79
- <u>Add: Direct expenses</u>				
Clearing and forwarding expense	11.04	19.43	25.36	16.66
Freight expense	14.64	24.50	36.66	5.32
Loading and unloading charges	0.00	0.17	0.18	0.37
Packing expense	2.77	3.54	3.19	4.02
Other Direct Expenses	0.13	0.00	0.62	0.00
<b>Total</b>	<b>1606.63</b>	<b>2834.40</b>	<b>2828.82</b>	<b>2203.16</b>

**22 CHANGES IN INVENTORY OF TRADED GOODS AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Inventories at the beginning of the year	968.52	650.25	466.04	334.64
- Less: Inventories at the end of the year	-751.30	-968.52	-650.25	-466.04
<b>Total</b>	<b>217.22</b>	<b>-318.27</b>	<b>-184.22</b>	<b>-131.40</b>

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***23 EMPLOYEE BENEFIT EXPENSES AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Directors remuneration	46.30	90.27	15.00	23.67
- Salaries and wages	55.54	71.93	53.04	45.85
- Gratuity	0.92	0.00	2.27	0.00
- Staff welfare expenses	2.46	3.82	4.86	2.60
<b>Total</b>	<b>105.22</b>	<b>166.02</b>	<b>75.16</b>	<b>72.12</b>

**24 FINANCE COSTS AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Interest on borrowings	0.00	0.00	0.02	1.08
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.02</b>	<b>1.08</b>

**25 DEPRECIATION AND AMORTISATION EXPENSES AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Depreciation on tangible assets	11.90	18.74	12.60	12.20
<b>Total</b>	<b>11.90</b>	<b>18.74</b>	<b>12.60</b>	<b>12.20</b>

**26 OTHER EXPENSES AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- <u>Expenses on Investment</u>				
Diminution in value of investments (net)	193.49	0.00	67.78	281.38
Loss from speculation and derivative trading (net)	0.23	0.00	0.00	130.83
- Auditors remuneration	1.50	1.50	1.50	1.50
- Allowance for Bad and Doubtful Debts	0.00	1.53	0.00	0.50
- Bank charges	0.35	0.99	1.30	0.79
- Business promotion expense	25.65	46.04	2.17	6.45
- Commission on sales	12.47	35.61	230.30	164.39
- Electricity expense	1.27	1.53	0.86	1.07
- Exhibition expenses	3.31	7.57	57.93	0.06
- Foreign exchange Loss	10.89	0.00	93.84	0.00
- Insurance charges	2.75	3.51	1.80	1.30
- Interest and late fees	4.96	0.61	0.04	8.59
- IT and software expenses	0.10	0.56	0.94	0.80
- Membership and subscriptions	0.14	1.10	1.19	1.18
- Office expense	5.04	8.07	5.76	6.56
- Other miscellaneous expense	8.65	1.19	0.32	0.09
- Printing and stationery	0.30	0.46	0.48	0.92
- Professional fees	16.84	5.09	1.91	5.16
- Rates and taxes	10.28	0.76	3.36	0.73
- Rent expense	6.72	8.12	7.52	7.85
- Repairs and maintenance	3.08	4.78	9.75	4.29
- Telephone and communication expense	3.58	4.22	3.57	2.45
- Travel and conveyance	36.25	61.74	91.05	70.94
- Warehouse expenses	0.25	0.36	0.28	0.49
<b>Total</b>	<b>348.10</b>	<b>195.33</b>	<b>583.64</b>	<b>698.31</b>

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***27 RATIO ANALYSIS AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
Current Assets	3187.35	2985.85	2182.91	1655.94
Current Liabilities	1736.17	1947.16	2036.84	1605.23
<b>Current Ratio</b>	1.84	1.53	1.07	1.03
<b>Change %</b>	-	43.08%	3.89%	-
Debt	0.00	0.00	0.00	1.03
Shareholders equity	1543.61	1105.30	209.97	91.86
<b>Debt Equity Ratio</b>	-	-	-	0.011
<b>Change %</b>	-	-	100%	-
Earnings available for debt service	635.13	1051.55	188.98	-104.67
Debt Service	0.00	0.00	0.02	2.10
<b>Debt Service Coverage Ratio</b>	-	-	10622.61	-49.79
<b>Change %</b>	-	100%	-21435.21%	-
Net Profit after taxes	438.31	895.33	118.11	-146.42
Avg. Shareholders Equity	1324.46	657.64	150.92	168.71
<b>Return on Equity Ratio</b>	0.33	1.36	0.78	-0.87
<b>Change %</b>	-	73.96%	-190.18%	-
Cost of Goods sold	1823.85	2516.13	2644.60	2071.76
Average Inventory	859.91	809.39	558.14	400.34
<b>Inventory Turnover Ratio</b>	2.12	3.11	4.74	5.18
<b>Change %</b>	-	-34.39%	-8.44%	-
Net Credit Sales	2415.91	3154.24	3304.49	2524.96
Avg. Trade Receivables	329.32	340.32	382.66	339.95
<b>Trade Receivables Turnover Ratio</b>	7.34	9.27	8.64	7.43
<b>Change %</b>	-	7.33%	16.27%	-
Net Credit Purchases	1954.72	3029.73	3412.46	2901.47
Avg. Trade Payables	1763.43	1970.55	1796.07	1440.30
<b>Trade Payables Turnover Ratio</b>	1.11	1.54	1.90	2.01
<b>Change %</b>	-	-19.08%	-5.69%	-
Net Sales	2415.91	3154.24	3304.49	2524.96
Avg. Working Capital	1244.94	592.38	98.39	-116.43
<b>Net Capital Turnover Ratio</b>	1.94	5.32	33.58	-21.69
<b>Change %</b>	-	-84.15%	-254.87%	-
Net Profit	438.31	895.33	118.11	-146.42
Net Sales	2415.91	3154.24	3304.49	2524.96
<b>Net Profit Ratio</b>	0.18	0.28	0.04	-0.06
<b>Change %</b>	-	694.15%	-161.64%	-
EBIT	623.23	1032.82	176.37	-116.87
Capital Employed	1543.61	1105.30	209.97	92.89
<b>Return on Capital employed</b>	0.40	0.93	0.84	-1.26
<b>Change %</b>	-	11.24%	-166.76%	-
Dividend + Gain / Loss on sale - Diminution provisions + Diminution provision reversal	170.00	758.36	-25.23	-117.15
Average Investment value	1652.82	1185.77	719.64	542.82
<b>Return on Investments</b>	0.10	0.64	-0.04	-0.22
<b>Change %</b>	-	-1923.96%	-83.75%	-

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***27 RATIO ANALYSIS AS RESTATED (CONTINUED)****Variance Analysis (where variances are more than 25%): -**

Particulars	Reasons (23-24 / 22-23)	Reasons (22-23 / 21-22)
Current Ratio	The Variance is on account of increase in overall Current Assets during the Year	NA
Debt Equity Ratio	NA	The Variance is on account of Nil debt outstanding at end of the year.
Debt Service Coverage Ratio	The Variance is on account of Nil Interest cost during the year.	The high variance is on account of repayment of the entire debt obligation during the year.
Return on Equity Ratio	The variance is on account of overall increase in Net profit after taxes during the year compared to previous year.	The variance is on account of net losses in the year 2021-22 compared to profits in the subsequent year.
Inventory Turnover Ratio	The variance is on account of increase in average inventory held during the period.	NA
Net Capital Turnover Ratio	The variance is on account of increase in average working capital during the period.	The variance is on account of increase in average working capital during the period along with substantial increase in sales.
Net Profit Ratio	The variance is on account of overall increase in Net profit after taxes during the year compared to previous year.	The variance is on account of net losses in the year 2021-22 compared to profits in the subsequent year.
Return on Capital employed	NA	The variance is on account of net losses in the year 2021-22 compared to profits in the subsequent year.
Return on Investments	The variance is on account of increase in overall investment related incomes during the year.	The variance is on account of increase in average investment value during the period along with increase in investment related incomes.

Variance analysis for stub period is not provided as the data is not comparable.

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**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***28 EXPENSES AND REMITTANCES IN FOREIGN CURRENCIES DURING THE PERIOD AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>a Expenditure in foreign currency (accrual basis)</b>				
Import Purchase of Trading Goods**	1478.52	2404.44	2294.48	1808.96
Foreign Travelling	4.24	11.65	33.39	15.23
<b>b Income in foreign currency (accrual basis)</b>				
Earnings in foreign exchange	38.00	6.95	0.00	0.00
<b>Total</b>	<b>1520.77</b>	<b>2423.04</b>	<b>2327.87</b>	<b>1824.19</b>

\*\* The amount of import purchase disclosed under this note is net of custom duty incurred.

**29 EMPLOYEE BENEFITS AS RESTATED**

The relevant disclosures in pursuance of Accounting Standard [AS 15 (revised) 2005] "Employee Benefits" as specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) are as follows:

**Defined benefit plan:**

The Company accounts for gratuity under defined benefit plan. Details of the gratuity plan are as follows:

Description	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>1 Reconciliation of opening and closing balances of obligation:</b>				
- Obligation as at the beginning of the year	8.30	9.04	6.78	0.00
- Current service cost	1.09	1.36	1.21	0.00
- Interest cost	0.44	0.68	0.49	0.00
- Prior service cost	0.00	0.00	0.00	6.78
- Actuarial (gain) / loss	-0.58	-2.79	0.57	0.00
- Benefits pay-out from employer	-0.04	0.00	0.00	0.00
- Obligation as at the end of the year	9.22	8.30	9.04	6.78
- Fair value of Plan assets	0.00	0.00	0.00	0.00
- Net Obligation as at the end of the year	9.22	8.30	9.04	6.78
- Current	0.36	1.57	1.69	0.42
- Non-Current	8.86	6.73	7.36	6.36
<b>2 Reconciliation of opening and closing balance of plan assets:</b>				
- Fair value of Plan Asset at the beginning of the year	0.00	0.00	0.00	0.00
- Employer Contribution	0.00	0.00	0.00	0.00
- Expected interest income of assets	0.00	0.00	0.00	0.00
- Actuarial gain / (loss)	0.00	0.00	0.00	0.00
- Benefits pay-out from plan	0.00	0.00	0.00	0.00
- Fair value of Plan Asset at the end of the year	0.00	0.00	0.00	0.00

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**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***29 EMPLOYEE BENEFITS AS RESTATED (CONTD..)**

Description	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>3 Expense recognised in the year</b>				
- Current service cost	1.09	1.36	1.21	0.00
- Interest cost	0.44	0.68	0.49	0.00
- Actuarial (gain) / loss	-0.58	-2.79	0.57	0.00
- Benefits paid other than from the plan	0.00	0.00	0.00	0.00
- Expense / (gain) to be recognised in the year	0.96	-0.74	2.27	0.00
<b>4 Key assumptions</b>				
- Discount rate (p.a.)	7.00%	7.19%	7.50%	7.18%
- Salary escalation (p.a.)	6.00%	6.00%	6.00%	6.00%
- Attrition rate (p.a.)	10.00%	10.00%	10.00%	10.00%
- Mortality rate (p.a.)	Indian Assured Lives Mortality (2012-14) Ultimate			
<b>5 Experience adjustment</b>				
- Defined benefit obligation	9.22	8.30	9.04	6.78
- Plan assets	0.00	0.00	0.00	0.00
- Surplus / (Deficit)	-9.22	-8.30	-9.04	-6.78
- Experience adjustment on plan liabilities	-0.68	-2.96	0.77	0.00
- Experience adjustment on plan assets	0.00	0.00	0.00	0.00

**30 RELATED PARTY DISCLOSURES AS RESTATED****a Name of related parties**

Description of Relationship	Name of Related Party
- Key managerial persons (KMPs) / Promoters	Devang Goradia Parth Vyas Vaibhav Pawar Gaurang Goradia Vaishali Mane Pragnesh Patel
- Relatives of Key managerial persons / Promoters	Rasila Goradia Hitesh Pandurang Mane
- Associates (Enterprises in which relatives / KMP / Promoter exercise control)	ADD Nutrition (Proprietorship of Vaishali Mane) Satguru Chemist (Proprietorship of Hitesh Mane)

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**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***30 RELATED PARTY DISCLOSURES AS RESTATED (CONTD..)****b Transactions with Related Parties**

Details of Transactions	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>A. <u>Remuneration, salary &amp; commission paid</u></b>				
Parth Vyas	-	4.83	7.50	8.20
Gaurang Goradia	9.47	13.97	17.43	13.76
Devang Goradia	40.00	78.57	0.00	8.57
Vaibhav Pawar	6.30	8.80	7.50	8.10
Pragnesh Patel	2.39	0.00	0.00	0.00
<b>B. <u>Rent expense</u></b>				
Vaishali Mane	2.67	3.56	3.56	4.20
<b>C. <u>Sales during the year</u></b>				
Vaishali Mane (ADD Nutrition)	-	-	0.06	0.33
Devang Goradia	-	-	-	0.01
<b>D. <u>Trade Advances</u></b>				
<u>Advances repaid:</u>				
Vaishali Mane (ADD Nutrition)	0.00	0.00	1.99	0.00
<b>E. <u>Loans</u></b>				
<u>Loan given:</u>				
Devang Goradia	40.00	43.87	36.34	266.63
Parth Vyas	0.00	0.00	2.00	0.00
Rasila Goradia	30.00	0.00	0.00	0.00
<u>Loan repaid:</u>				
Devang Goradia	52.64	47.88	140.71	353.88
Gaurang Goradia	0.00	0.00	28.40	12.61
Rasila Goradia	30.00	0.00	0.00	0.00
<b>F. <u>Closing Balances</u></b>				
Devang Goradia - Loan	-	12.64	16.64	121.01
Devang Goradia - Remuneration Payable	-24.52	-	-	-
Parth Vyas - Loan	-	-	2.00	-
Vaibhav Pawar	-0.69	-	-	-
Pragnesh Patel	-0.36	-	-	-
Gaurang Goradia	0.89	-	-	0.00
Gaurang Goradia (Loan)	-	-	-	28.40
Vaishali Mane	-0.32	0.00	-	-
ADD Nutrition	-	-	-	1.99
Rasila Goradia	-	-	-	-

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**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)*

- 31 As per AS 17 "Segment Reporting", the Company has reviewed the nature and extent of its business operations and determined that it has no reportable segments. Hence, segment disclosures are not applicable.

**32 CONTINGENT LIABILITIES AS RESTATED**

The Company has received the following demand orders which are under dispute. The management believes that the likelihood of economic outflow is remote, and hence no provision has been made.

Particulars of demand	Amount	Current Status of demand Liability
- Income tax demand (Reassessment)	106.58	Appeal pending before CIT(A)
- Assessments under MVAT Act, 2002	441.88	Appeal pending before Appellate Authority
- Assessments under CST Act, 1956	215.96	Appeal pending before Appellate Authority
<b>Total</b>	<b>764.42</b>	

- 33 There are no capital commitments to report across all the reporting periods.

**34 PAYMENT TO AUDITORS AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Towards various audits	1.50	1.50	1.50	1.50
- Other services	9.50	1.65	0.80	3.25
<b>Total</b>	<b>11.00</b>	<b>3.15</b>	<b>2.30</b>	<b>4.75</b>

**35 EARNINGS PER SHARE AS RESTATED**

As per Accounting Standard 20 on Earnings Per Share, 2006, the computation of earnings per share is set out below:

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- Profits available to equity shareholders (in lacs)	438.31	895.33	118.11	-146.42
- No. of weighted avg. equity shares (actual no's)	56,60,000	56,60,000	56,60,000	56,60,000
- No. of dilutive potential equity shares (actual no's)	56,60,000	56,60,000	56,60,000	56,60,000
<b>Basic earning per share from continuing operation</b>	<b>7.74</b>	<b>15.82</b>	<b>2.09</b>	<b>(2.59)</b>
<b>Diluted earning per share from continuing operation</b>	<b>7.74</b>	<b>15.82</b>	<b>2.09</b>	<b>(2.59)</b>

On 28th June, 2024 the Company issued 56,50,000 bonus shares of face value Rs. 10/- by capitalising profit and loss account. A total of 565 shares were issued to shareholders for every share held. Accordingly, the weighted average number of equity shares for basic and diluted earnings per share has been restated for all the above reporting periods.

**36 DISCLOSURES OF LOANS AND ADVANCES IN THE NATURE OF LOANS GRANTED AS RESTATED**

Type of Borrower	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>Loans repayable on demand:</b>				
<u>Amount of loans granted:</u>				
- Directors	40.00	43.87	38.34	266.63
- Related Parties	30.00	0.00	0.00	0.00
<b>Total</b>	<b>70.00</b>	<b>43.87</b>	<b>38.34</b>	<b>266.63</b>
<b>% of total loans and advances in the nature of loans</b>	<b>100.00%</b>	<b>99.55%</b>	<b>100.00%</b>	<b>99.91%</b>

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***37 RECONCILIATION BETWEEN VARIOUS COMPONENTS OF AUDITED FINANCIALS AND RESTATED FINANCIALS****Reconciliation Between Audited Profit And Restated Profit**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>A Profit after tax (As per Audited Financials)</b>	<b>438.31</b>	<b>547.71</b>	<b>188.15</b>	<b>135.46</b>
<b>B Add / Less : Restatement adjustments</b>				
Provision for Gratuity	0.00	0.00	-2.27	0.00
Diminution in value of investments (net)	0.00	0.00	-67.78	-281.38
Allowance for bad and doubtful debt	0.00	-1.53	0.00	-0.50
Reversal of provision for diminution in value of investment (net)	0.00	349.15	0.00	0.00
<b>C Restated Profit</b>	<b>438.31</b>	<b>895.33</b>	<b>118.11</b>	<b>-146.42</b>

**Reconciliation For Closing Balance Of Profit & Loss Under Reserves And Surplus**

Particulars	31 Mar 2024	31 Mar 2023	31 Mar 2022
<b>A Closing balance of profit &amp; loss account under reserves and surplus (as per Audited Financials)</b>	<b>1106.33</b>	<b>567.67</b>	<b>379.51</b>
<b>B Add / Less : Restatement adjustments</b>			
Effect of Previous period restatement adjustments	-358.20	-288.15	0.00
Past service cost of Gratuity expenses	9.04	-2.27	-6.78
Diminution in value of investments (net)	0.00	-67.78	-281.38
Allowance for bad and doubtful debt	-2.03	-0.50	-0.50
Reversal in Diminution in value of investments (net)	349.15	0.00	0.00
<b>C Restated closing balance</b>	<b>1104.30</b>	<b>208.97</b>	<b>90.86</b>

**38 STATEMENT OF TAX SHELTER AS RESTATED**

Particulars	31 Dec 2024	31 Mar 2024	31 Mar 2023	31 Mar 2022
- <b>Tax Rates Applicable:</b>				
Normal Income Tax Rates (%)	25.17	25.17	25.17	25.17
Long Term Capital Gains Rate (%)	10 / 12.5	10.00	10.00	10.00
Short Term Capital Gains Rate (%)	15 / 20	15.00	15.00	15.00
- <b>Restated profit before tax as per books</b>	<b>623.23</b>	<b>1032.82</b>	<b>176.36</b>	<b>-117.94</b>
Add: Speculation loss	0.23	0.00	0.00	0.00
Add: Other additions	0.00	4.09	0.00	0.00
- <b>Adjustments:</b>				
<b>Timing Differences</b>				
Gratuity Provision Disallowance/ (Reversal)	0.92	-0.74	2.27	0.00
Depreciation as per Companies Act	11.90	18.74	12.60	12.20
Depreciation as per Income Tax Act	-10.05	-14.08	-12.15	-10.75
Section 43B expense allowed / (disallowed)	-0.19	0.19	0.00	0.00
<b>Total Timing Differences</b>	<b>2.58</b>	<b>4.11</b>	<b>2.72</b>	<b>1.45</b>
<b>Permanent Differences</b>				
Diminution in value of investments (net) / (Reversal)	193.49	-349.15	67.78	281.38
Allowance for bad and doubtful debt	0.00	1.53	0.00	0.50
<b>Total Permanent Differences</b>	<b>193.49</b>	<b>-347.62</b>	<b>67.78</b>	<b>281.88</b>
- <b>Taxable Income/(Loss) as per Income Tax</b>	<b>819.53</b>	<b>693.39</b>	<b>246.85</b>	<b>165.38</b>
- <b>Tax Payable for the year</b>	<b>185.57</b>	<b>138.52</b>	<b>58.36</b>	<b>28.84</b>
- <b>Tax expense recognised for the year</b>	<b>185.57</b>	<b>138.52</b>	<b>58.36</b>	<b>28.84</b>

**ARC DISTRIBUTORS (I) LIMITED***(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)***NOTES TO RESTATED FINANCIAL STATEMENTS***(All amounts are in INR Lacs, unless otherwise stated)***39 CAPITALISATION STATEMENT AS AT 31 DECEMBER 2024 AS RESTATED**

Particulars	Pre - Issue	Post - Issue
<b>A Total Borrowings</b>	<b>0.00</b>	<b>[-]</b>
<b>B Shareholders funds:</b>		
- Share capital	566.00	[-]
- Reserves and surplus (as restated)	977.61	[-]
<b>Total Shareholders funds</b>	<b>1543.61</b>	<b>[-]</b>
<b>Long term borrowings / shareholders funds</b>	<b>-</b>	<b>[-]</b>
<b>Total borrowings / shareholders funds</b>	<b>-</b>	<b>[-]</b>

**40 OTHER STATUTORY INFORMATION AS RESTATED**

- i As per Section 135 of the Companies Act, 2013, CSR provisions were not applicable to the Company for the reporting financial years ending on March 2022; March 2023; March 2024. However the Company is covered by section 135 and accordingly the CSR provisions have become applicable for financial year 2024-25. The minimum obligation towards CSR spend is INR 7.28 Lacs for financial year 2024-25. The Company proposes to fulfil its CSR obligations within the desired statutory timelines provided.
- ii The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- iv The Company does not have any transactions with companies struck off.
- v The Company has not traded or invested in Crypto currency or Virtual Currency during the reporting year.
- vi The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vii The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- viii The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017. Further, the Company is neither a Subsidiary or Associate of another Company nor it has any Subsidiary or Associate.
- ix The Company does not have any property whose title deeds are not held in the name of the Company, however the Company has taken premises on lease which are normally renewed on its expiry.
- x The Company has no Investment Property during any of the reporting periods. There cannot be any revaluation of the same.
- xi The Company has not revalued any of its Property, plant and equipment's during any of the reporting periods covered herein.

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## **ARC DISTRIBUTORS (I) LIMITED**

*(Formerly known as ARC DISTRIBUTORS (I) PRIVATE LIMITED)*

### **NOTES TO RESTATED FINANCIAL STATEMENTS**

*(All amounts are in INR Lacs, unless otherwise stated)*

- xii The Company has followed accounting as per division I of schedule III of Companies act 2013, but has only disclosed those areas that are applicable to the Company.
- xiii The Company has not been declared as a wilful defaulter by any bank or financial Institution or other lender during any of the reporting periods covered herein.
- xiv Previous year figures have been reclassified/regrouped to confirm the presentation requirements and the requirements laid down in Division-I of the Schedule-III of the Companies Act, 2013.

#### **As per our report of even date attached**

For **R H D B & Co LLP**

*Chartered Accountants*

Firm's Registration No: 132490W/W-100125

For and on behalf of the Board of Directors

**ARC DISTRIBUTORS (I) LIMITED**

Sd/-

**Viral Shah**

Partner

Membership No: 189204

Mumbai

Date: April 24th, 2025

**UDIN: 25189204BMJOXK8698**

Sd/-

**Devang Goradia**

Managing Director

DIN: 01951816

Sd/-

**Gaurang Goradia**

Whole-Time Director

DIN: 02255895

Sd/-

**Pragnesh Patel**

Company Secretary

M.No.: A68465

Sd/-

**Sanchit Sawant**

Chief Financial Officer

## OTHER FINANCIAL INFORMATION

### SUMMARY OF ACCOUNTING RATIOS

The accounting ratios derived from restated financial information required to be disclosed under SEBI ICDR Regulations are set forth below:

Particulars	As at/for the period ended December 31, 2024	As at/for the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
Net Worth (A) (₹ in Lakhs)	1,543.61	1,105.30	209.97	91.86
Net Profit after Tax (B) (₹ in Lakhs)	438.31	895.33	118.11	(146.42)
No. of Shares outstanding at the end (C)	10,000	10,000	10,000	10,000
Face Value Per share (in ₹)	10.00	10.00	10.00	10.00
Weighted average number of shares post effect of bonus issue (D)	56,60,000	56,60,000	56,60,000	56,60,000
Earnings per Share (EPS) (B / D) (in ₹)*	7.74	15.82	2.09	(2.59)
Return on Net Worth (B / A) (%)	28.39	81.00	56.25	(159.40)
Net Assets Value per Share (A / D)**	27.27	19.53	3.71	1.62

#### Notes

\* We have considered Bonus Issue for calculation of Basic/Diluted EPS.

\*\* We have considered Bonus Issue for calculation of NAV per Equity Share.

The ratios have been calculated as below:

1. Net Worth = Equity Share Capital + Reserve and Surplus
2. Basic/Diluted Earnings Per Share (₹) = Shares Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity outstanding during the year.
3. Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100.
4. Net Asset Value per equity share (₹) = total shareholder's fund less preference share capital divided by weighted average number of equity shares outstanding during the respective year/period.

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## CAPITALISATION STATEMENT

(₹ in lakhs)

Particulars	Pre Issue As At 31 <sup>st</sup> December, 2024	Post Issue
<b><u>Borrowings</u></b>		
Short- Term	-	[•]
Long- Term (Including Current Maturities) (A)	-	[•]
<b>Total Borrowings (B)</b>	-	[•]
<b><u>Shareholder's Fund</u></b>		
Share Capital	566.00	[•]
Reserve And Surplus, As Restated	977.61	[•]
<b>Total Shareholder's Fund (C)</b>	1,543.61	[•]
Long- Term Borrowings / Equity Ratio {(A)/(C)}	-	[•]
Total Borrowings / Equity Ratio {(B)/(C)}	-	[•]

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## MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled “*Risk Factors*” beginning on page 26 this Draft red Herring Prospectus, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources.

Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated April 24, 2025 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.

### Overview of the Company

ARC Distributors (I) Limited was originally incorporated as ADF Overseas Private Limited on April 2, 2008, under the Companies Act, 1956 in Mumbai, Maharashtra. The name was changed to ARC Distributors (I) Private Limited on October 24, 2011, following a shareholder resolution. Subsequently, on July 31, 2024, the Company was converted into a Public Limited Company and renamed ARC Distributors (I) Limited.

Our Company is a distributor of imported products, focusing on three key categories: Jewellery Equipments, Dental Equipments, and Dietary Supplements. We import and distribute jewellery manufacturing equipments, dental equipment, and dietary supplements in the domestic market. Currently, our products are distributed across 15 states and union territories in India.

Our Jewellery Equipment segment offers a range of equipments, tools, and consumables used in the manufacturing of studded diamonds, gold, and fashion jewellery. We have relationship with manufacturers in Germany, Spain, Italy and Switzerland, for importing steel and carbide burs, cutters, diamond instruments, polishers, ceramic abrasers, and other essential tools & equipments used for jewellery making. We operate a distribution network for jewellery equipment through our network of dealers, while also catering directly to customers, including jewellery manufacturers located in Special Economic Zones (SEZs).

Our Dental Equipment category includes carbide burs used in dental laboratories, investment powders for casting dentures, crowns, bridges, and dental polishers for polishing dental restorations. We import these products from Europe and supply them through network of dealers and directly to dental laboratories across India.

We also import and distribute Dietary Supplements, which include whey proteins, amino acids, creatine, glutamine, and other products, primarily sourced from the USA. These products are sold through network of dealers.

The nature of the three product lines and our end consumers we are catering India has ensured that our Company is insulated to an extent from industry specific volatility. The same is evident from our Revenue numbers in the stub period and last 3 years, where we have a revenue from operation of ₹ 2,415.91 Lakhs, ₹ 3,154.24 lakhs, ₹ 3,304.49 lakhs and ₹ 2,524.96 lakhs in the for the periods ended as on December 31, 2024 and financial years 2024, 2023 and 2022 respectively.

We operate two centralized distribution hub covering area aggregating to ~13000 sq. ft in Ghatkopar and Bhiwandi, Maharashtra, ensuring efficient and timely order fulfillment for our customers.

For more information on our Company’s business, please refer to chapter titled “Our Business” on page 142 of this Draft Red Herring Prospectus.

### Significant Developments Subsequent to the period ending on December 31, 2024



After the date of last audited accounts i.e. December 31, 2024, the Directors of our Company confirm that, there have not been any significant material developments which materially and adversely affect or is likely to affect within the next twelve months for the trading or profitability of the Company, the value of its assets or its ability to pay its liability.

#### **Key Operational and Financial Performance Indicators:**

The business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factor” beginning on page 26 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

The KPIs disclosed below have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilisation of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations.

The KPIs of our Company have been disclosed in the sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on page 142 and 225, respectively. We have described and defined the KPIs as applicable in “Definitions and Abbreviations” on page 1 of this Draft Red Herring Prospectus.

#### **Explanation for KPI metrics**

<b>KPI</b>	<b>Explanations</b>
Revenue from Operations (₹ Lakhs)	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total Revenue	Total Revenue is used to track the total revenue generated by the business including other income.
EBITDA (₹ Lakhs)	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.
Profit after Tax (₹ Lakhs)	Profit after tax provides information regarding the overall profitability of the business/company.
Net profit ratio	Net profit ratio is an indicator of the overall profitability and financial performance of our business/company i.e. profit after tax as a % of Total Revenue from operations.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders’ funds.
Debt To Equity Ratio	Debt-to-equity (D/E) ratio is used to evaluate a company’s financial leverage.
Return on Capital employed (RoCE) (%)	It is calculated as profit before tax plus finance costs divided by sum of total equity, non-current borrowings and current borrowings as at the year end.
Current Ratio	It assesses company’s ability to pay off its short term liabilities (due within a year) using its current assets (assets convertible to cash within a year).
Net Capital Turnover Ratio	This metric enables us to track the how effectively company is utilizing its working capital to generate revenue.

(₹ in lakhs)

Financial Metrics	As at and for the period ended	As at and for the year ended		
	December 31, 2024*	March 31, 2024	March 31, 2023	March 31, 2022
Revenue From operations (₹ in Lakhs)	2415.91	3154.24	3304.49	2524.96
Total revenue (₹ in Lakhs)	2912.30	3929.04	3492.38	2737.52
EBITDA (₹ in Lakhs)	441.02	290.10	68.86	139.53
EBITDA Margin (%)	18.25	9.20	2.08	5.53
Profit after tax (₹ in Lakhs)	438.31	895.33	118.11	(146.42)
Net profit ratio (%)	18.14	28.38	3.57	(5.80)
Return on Equity (ROE) (%)	33.09	136.14	78.26	(86.79)
Debt To Equity Ratio	-	-	-	0.01
Return on Capital Employed (ROCE) (%)	40.37	93.44	84.00	(125.82)
Current Ratio	1.84	1.53	1.07	1.03
Net Capital Turnover Ratio	1.94	5.32	33.58	(21.69)

#### Notes:

The KPIs disclosed above have been approved by a resolution of our Audit Committee dated April 26, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to the 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 DRHP. Further, the KPIs herein have been certified by M/s. R H D B & Co LLP Chartered Accountants, by their certificate dated April 26, 2025.

Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.

EBITDA refers to earnings before interest, taxes, depreciation, amortization, gain or loss from discontinued operations, diminution in value of investments, loss from speculation and derivative trading and exceptional items. EBITDA excludes other income but includes foreign exchange gain and balances written back.

EBITDA Margin refers to EBITDA during a given period as a percentage of revenue from operations during that period.

Profit after Tax (₹ Lakhs) Profit after tax provides information regarding the overall profitability of the business/company.

Net Profit Ratio quantifies our efficiency in generating profits from revenue from operations and is calculated by dividing net profit after taxes but before other comprehensive income by revenue from operations.

Return on equity (RoE) is equal to Net profit after taxes divided by average shareholder's equity excluding preference share capital.

Debt to equity ratio is calculated by dividing Total debt divided by Shareholder's Equity (excluding preference share capital) and where total debt refers to sum of current & non-current borrowings including preference share capital.

RoCE (Return on Capital Employed) (%) is calculated as profit before tax plus finance costs divided by sum of total equity, non-current borrowings and current borrowings as at the year end.

Current Ratio is a liquidity ratio that measures our ability to pay off it's short-term obligations (those which are due within one year) using it's current assets ( those which are convertible to cash within one year) and is calculated by dividing the current assets by current liabilities.

Net Capital Turnover Ratio quantifies our effectiveness in utilizing our working capital and is calculated by dividing our revenue from operations with our working capital (i.e., current assets less current liabilities).

### Our Significant Accounting Policies:

For Significant accounting policies please refer Significant Accounting Policies, in the section titled “*Financial Information*” on page 192 of this Draft Red Herring Prospectus.

### Discussion on Results of Operations:

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for the period ended December 31, 2024 and financial years ended March 31, 2024, March 31, 2023 and 2022.

#### Main Components of our Profit and Loss Account

Income - Our total income comprises of revenue from operations and other income.

Revenue from Operations- Our revenue from operation includes Domestic sale of goods, sale of services and other operating revenue.

Other Income – Other income majorly comprises of Interest Income, income from investment, commission, foreign exchange gain etc.

Expenditure- Our total expenditure primarily consists of Purchase of traded goods, Changes in inventories of traded goods, employee benefit expenses, Depreciation and amortization expenses and Other Expenses.

Purchase of traded goods - Purchase of traded goods are costs related to purchase of goods and direct expenses relating to the purchases.

Changes in Inventory of traded goods - Changes in Inventory of finished goods primarily consist of difference between inventories of traded goods at end of the year and beginning of the year.

Employee Benefit Expenses- Our employee benefits expense comprises of Salaries & wages, Remuneration to Directors, Gratuity Expenses & Staff welfare expenses.

Other Expenses - Other expenses primarily include business promotion expenses, commission on sales, foreign exchange loss, professional fees, diminution in value of investments, travel and conveyance, loss from speculative and derivative trading etc.

Provision for Tax - The provision for current taxation is computed in accordance with relevant tax regulations. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certain that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

### RESULTS OF KEY OPERATIONS

The following table sets forth select financial data from our restated financial statement of profit and loss for the period ended on December 31, 2024 and financial years ended March 31, 2024, 2023 and 2022 the components of which are also expressed as a percentage of total revenue for such period and financial years.

*(except percentages, ₹ in lakhs)*

Particulars	For the period/year ended on							
	December 31, 2024	% of Total Income	March 31, 2024	% of Total Income	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income
Revenue from operation	2,415.91	82.96%	3,154.24	80.28%	3,304.49	94.62%	2,524.96	92.24%
Other income	496.39	17.04%	774.80	19.72%	187.89	5.38%	212.56	7.76%
<b>Total Revenue</b>	<b>2,912.30</b>	<b>100%</b>	<b>3,929.04</b>	<b>100%</b>	<b>3,492.38</b>	<b>100%</b>	<b>2,737.52</b>	<b>100%</b>

Particulars	For the period/year ended on							
	December 31, 2024	% of Total Income	March 31, 2024	% of Total Income	March 31, 2023	% of Total Income	March 31, 2022	% of Total Income
Purchase of traded goods	1,606.63	55.17%	2,834.40	72.14%	2,828.82	81.00%	2,203.16	80.48%
Changes in inventories of Finished Goods	217.22	7.46%	-318.27	-8.10%	-184.22	-5.27%	-131.40	-4.80%
Employee Benefits Expenses	105.22	3.61%	166.02	4.23%	75.16	2.15%	72.12	2.63%
Finance Cost	0.00	0.00%	0.00	0.00%	0.02	0.00%	1.08	0.04%
Depreciation and Amortisation Cost	11.90	0.41%	18.74	0.48%	12.60	0.36%	12.20	0.45%
Other Expenses	348.10	11.95%	195.33	4.97%	583.64	16.71%	698.31	25.51%
Total Expenses	2,289.07	78.60%	2,896.23	73.71%	3,316.03	94.95%	2,855.47	104.31%
Profit Before Tax	623.23	21.40%	1,032.82	26.29%	176.36	5.05%	-117.94	-4.31%
Tax Expenses	-184.92	-6.35%	-137.48	-3.50%	-58.24	-1.67%	-28.48	-1.04%
Profit (Loss) for the Year	438.31	15.05%	895.33	22.79%	118.11	3.38%	-146.42	-5.35%

## REVIEW OF OPERATION FOR THE PERIOD ENDED DECEMBER 31, 2024

### Revenue from Operations

The total revenue from operations for the period ending on December 31, 2024, amounted to ₹ 2415.91 lakhs, accounting for 82.96% of the total revenue. The income was derived from sale of goods domestically amounting to ₹ 2412.83 lakhs, accounting for 99.87% of revenue from operations and Other operating revenue contributing to 0.13% of revenue from operations.

The Other Income for the period ending on December 31, 2024, amounted to ₹ 496.39 lakhs, accounting for 17.04% of the total revenue. Other income consists of Dividend Income amounting to ₹ 30.46 lakhs, profit on sale of investments amounting to ₹ 333.03 lakhs, Commission amounting to ₹ 18.38 lakhs, Foreign exchange gain amounting to ₹ 71.01 lakhs, Balances written back amounting to ₹ 37.55 lakhs amongst others.

### Purchase of traded goods

Purchase of traded goods was ₹ 1606.63 lakhs during the nine months period ended December 31, 2024. As a percentage of total revenue, expenses relating to Purchase of traded goods were 55.17%.

### Changes in inventory of traded goods

Expenses relating to changes in inventories of finished goods were ₹217.22 lakhs during the nine months period ended December 31, 2024. As a percentage of total revenue, expenses relating to changes in inventories of finished goods were 7.46% during the nine months period ended December 31, 2024.

### Employee Benefits Expenses

The costs associated with employee benefits for the period that concluded on December 31, 2024, totalled ₹ 105.22 lakhs, making up 3.61% of the total revenue. These employee benefits expenses primarily included salaries and wages amounting to ₹ 55.54 lakhs, Director Remuneration amounting to ₹ 46.30 lakhs, Gratuity expenses amounting to ₹ 0.92 lakhs and Staff welfare expenses amounting to ₹ 2.46 lakhs.

### Finance Costs

The period ended 31<sup>st</sup> December, 2024, does not have any finance cost.

#### **Depreciation and amortization expenses**

Our depreciation and amortization expenses for the period ended December 31, 2024, amounted to ₹11.90 lakhs constituting 0.41% of total revenue.

#### **Other Expenses**

Our other expenses for the period ended December 31, 2024, amounted to ₹ 348.10 lakhs constituting 11.95% of total income which primarily comprises of Business promotion expenses amounting to ₹ 25.65 lakhs, Diminution in value of investments amounting to ₹ 193.49 lakhs, Commission amounting to ₹12.47 lakhs, Professional fees amounting to ₹ 16.84 lakhs, Rates and taxes amounting to ₹ 10.28 lakhs and Travel and conveyance amounting to ₹ 36.25 lakhs amongst others.

#### **Profit before tax**

Our profit before tax for the period ended December 31, 2024, amounted to ₹ 623.23 lakhs constituting 21.40% of total revenue.

#### **Tax Expenses**

Our tax expenses for the period ended December 31, 2024, were ₹ 184.92 lakhs. Our tax expenses were 6.35% of our total revenue or 29.67% of Profit before tax.

#### **Profit after Tax**

Our profit after tax for the period ended December 31, 2024, amounted to ₹ 438.31 lakhs constituting 18.14% of revenue from operations.

### **COMPARISON OF FY 2024 WITH FY 2023**

#### **Revenue from Operations**

In FY 2024, revenue from operations declined to ₹3,154.24 lakhs from ₹3,304.49 lakhs in FY 2023. The overall decrease is primarily attributed to pricing elasticity—wherein higher supplier prices led to a reduction in demand for certain products. However, certain products experienced higher demand pursuant to reduction in prices, the decline was largely driven by a drop in sales in key product categories affected by these pricing dynamics.

#### **Revenue – Other Income**

Other income rose significantly to ₹774.80 lakhs in FY 2024 from ₹187.89 lakhs in FY 2023. This increase was mainly driven by higher profits from the sale of investments, supported by favorable market conditions. Additionally, the reversal of provisions for diminution in investment value, reflecting improved mark-to-market valuations, contributed to the overall rise.

#### **Purchase of stock in trade**

Our purchase of traded goods for the FY 2024 was ₹ 2834.40 lakhs from ₹ 2828.82 lakhs for FY 2023, representing an increase of 0.20%. This marginal increase was primarily due to increase in purchase of stock in trade in anticipation of increase in demand of the products.

#### **Changes in inventory of finished goods**

Changes in inventory of finished goods for the FY 2024 was ₹ (318.27) lakhs as compared to ₹ (184.22) lakhs for FY 2023 due to increase in purchase of stock in trade in anticipation of increase in demand of the products.

#### **Employee Benefits Expenses**

Employee benefit expenses increased by 120.89% in FY 2024, rising to ₹166.02 lakhs from ₹75.16 lakhs in FY 2023. The increase was mainly driven by higher Directors' remuneration and an increase in salaries and wages, reflecting an expanded workforce during the year.

#### **Finance Cost**

Finance cost in the FY 2024 came down to NIL from 0.02 lakhs in the FY 2023 due to our continuous commitment to become net zero debt company.

#### **Depreciation and Amortisation Expenses**

Depreciation and amortization in the FY 2024 increased by 48.73%, reaching ₹ 18.74 lakhs from ₹ 12.60 lakhs incurred in the FY 2023 stemming from purchase of tangible assets.

#### **Other Expenses**

Other expenses in the FY 2024 decreased by 66.53%, reaching ₹ 195.33 lakhs in FY 2024 from ₹ 583.64 lakhs incurred in the FY 2023. The decrease in other expenses was primarily attributed to reduction in Commission on sales by ₹ 194.69 stemming from our resolve to reduce commission expenses, Exhibition expenses by ₹ 50.36 lakhs, “Nil” diminution in value of investments reflecting improved mark-to-market valuations, the Foreign exchange loss by ₹ 93.84 lakhs due to favourable change in foreign exchange rates and Travel and conveyance by ₹ 29.31 lakhs amongst others.

#### **Tax Expenses:**

Tax expenses increased by 136.06%, reaching a total of ₹ 137.48 lakhs in the FY 2024 from ₹ 58.24 lakhs in the FY 2023. This notable increase in tax expenses is primarily attributed to rise in current taxes attributed on the sale of investments considering market valuations.

#### **Profit after Tax (PAT)**

Due to the aforementioned factors, Profit After Tax (PAT) for the FY 2024 reached ₹ 895.33 lakhs from ₹ 118.11 lakhs in the FY 2023 resulting in increased profitability primarily driven by the decrease in total expenses and increase in other income.

#### **COMPARISON OF F.Y. 2023 WITH F.Y. 2022:**

##### **Revenue from Operations**

The Company's revenue from operations in FY 2023 stood at ₹3,304.49 lakhs, reflecting an increase of ₹779.53 lakhs compared to ₹2,524.96 lakhs in the previous financial year. This overall growth was driven by a combination of higher demand and improved pricing power across product lines.

##### **Other Income**

Other Income in the FY 2023 was ₹ 187.89 lakhs from ₹ 212.56 lakhs in the FY 2022. This is attributable to decrease in foreign exchange gain by 43.71 lakhs from overall in comparison to the previous year.

##### **Purchase of traded goods**

Our purchase of stock in trade for the FY 2023 was ₹ 2828.82 lakhs from ₹ 2203.16 lakhs for FY 2022, representing an increase of 28.40%. This was primarily due to increase in purchase of traded goods in anticipation of increase in demand of the products.

##### **Changes in inventory of finished goods**

Changes in inventory of finished goods for the FY 2023 was ₹ (184.22) lakhs from ₹ (131.40) lakhs for FY 2022 in anticipation of increase in demand of the products.

### Employee Benefits Expenses

Employee benefit expenses in FY 2023 increased by 4.22%, rising to ₹75.16 lakhs from ₹72.12 lakhs in FY 2022. The ₹3.04 lakh increase was primarily driven by higher salaries and wages due to an increase in average employee salaries, rise in gratuity expenses and increase in staff welfare expenses.

### Finance Cost

Finance cost in the FY 2023 decreased to ₹ 0.02 lakhs in FY 2023 from ₹ 1.08 lakhs in FY 2022 due to our continuous commitment to be a net zero debt company.

### Depreciation and Amortisation Expenses

Depreciation and amortization in the FY 2023 increased by 3.28%, reaching ₹ 12.60 lakhs from ₹ 12.20 lakhs incurred in the FY 2022 as a result of increase in tangible assets.

### Other Expenses

Other expenses in the FY 2023 decreased by 16.42%, reaching ₹ 583.64 lakhs from ₹ 698.31 lakhs incurred in the FY 2022. The fall in other expenses was primarily attributed to several factors, including reduction of diminution in value of investments and reduction in loss from derivative and speculation trading reflecting improved mark-to-market valuations.

### Tax Expenses

Tax expenses have increased to a total of ₹ 58.24 lakhs in the FY 2023, from ₹ 28.48 lakhs in the FY 2022. This increase in tax expenses is primarily attributed to rise in current taxes attributed on the profit on trading of shares considering market valuations and increase in business operations.

### Profit after Tax (PAT)

Due to the above-mentioned factors, the profit registered an upturn, primarily attributed to increase in revenue from operation as a result of high market demand and profit on trading of securities.

### Cash Flow

The table below summaries our cash flows from our Restated Financial statements for the six-month period ended December 31, 2024, and for the financial years ended in 2024, 2023, and 2022:

(₹ in lakhs)

Particulars	For the nine-month period ended December 31, 2024	FY 2024	FY 2023	FY 2022
Net cash (used in)/ Generated from operating activities	205.54	29.65	794.26	(89.73)
Net cash (used in)/ Generated from investing activities	(105.72)	(49.36)	(656.19)	33.31
Net cash (used in)/ Generated from finance activities	0.00	0.00	(1.04)	(39.87)
Net increase/ (decrease) in cash and cash equivalents	99.83	(19.71)	137.02	(96.29)
Cash and Cash Equivalents at the beginning of the period	152.72	172.43	35.41	131.70
Cash and Cash Equivalents at the end of period	252.55	152.72	172.43	35.41

### Cash Flow from/(used in) Operating Activities

Net cash generated from operating activities for the period ended December 31, 2024, was ₹ 205.54 lakhs and our profit before tax for that period was ₹ 623.23 lakhs. The difference was primarily attributable to depreciation of ₹ 11.90 lakhs, Diminution in value of investments of ₹ 193.49 lakhs, Unrealized foreign exchange gain of ₹ 61.09 lakhs, Balances written back of ₹ 37.55 lakhs, Profit on sale of investments of ₹ 333.03 lakhs, Dividend income of 30.46 lakhs amongst others and thereafter net change in working capital and income tax paid of ₹ (99.17) lakhs and ₹ (57.29) lakhs respectively, resulting in gross cash generated from operations at ₹ 205.54 lakhs.

Net cash generated from operating activities in the FY 2024 was ₹ 29.65 lakhs and our profit before tax that period was ₹ 1032.82 lakhs. The difference was primarily attributable to depreciation of ₹ 18.74 lakhs, Diminution in value of investments of ₹ (349.15) lakhs, Unrealized foreign exchange gain of ₹ 23.79 lakhs, Profit on sale of investments of ₹ 389.61 lakhs, Dividend income of ₹ 19.59 lakhs and thereafter change in working capital and income tax paid of ₹ (169.22) lakhs and ₹ (70.28) lakhs respectively, resulting in gross cash generated from operations at ₹ 29.65 lakhs.

Net cash generated from operating activities in the FY 2023 was ₹ 794.26 lakhs and our profit before tax that period was ₹ 176.36 lakhs. The difference was primarily attributable to depreciation of ₹ 12.60 lakhs, Diminution in value of investments of ₹ 67.78 lakhs, Unrealized foreign exchange loss of ₹ 76.89 lakhs, Profit on sale of investments of ₹ 32.02 lakhs, Dividend income of ₹ 10.53 lakhs and thereafter change in working capital and income tax paid of ₹ 555.74 lakhs and ₹ (50.30) lakhs respectively, resulting in gross cash generated from operations at ₹ 794.26 lakhs.

Net cash generated from operating activities in the FY 2022 was ₹ (89.71) lakhs and our profit before tax that period was ₹ (117.94) lakhs. The difference was primarily attributable to depreciation of ₹ 12.20 lakhs, Diminution in value of investments of ₹ 281.38 lakhs, Unrealized foreign exchange gain of ₹ 18.18 lakhs, Profit on sale of investments of ₹ 158.12 lakhs, Dividend income of ₹ 6.11 lakhs and thereafter change in working capital and income tax paid of ₹ (82.58) lakhs and ₹ (0.02) lakhs respectively, resulting in gross cash generated from operations at ₹ (89.73) lakhs.

#### **Cash Flow from/(used in) Investing Activities**

For the period ended December 31, 2024, net cash used in investing activities was ₹ (105.72) lakhs which was due to increase in purchase of Equity shares ₹ (1362.92) and Fixed deposits ₹ (1143.00) set-off by Inflow on sale of equity shares of ₹ 1486.58 lakhs and Inflow on maturity of Fixed deposits ₹ 913.00 lakhs amongst others.

In the FY 2024, net cash used in investing activities was ₹ (49.36) lakhs which was due to increase in investment in Equity shares ₹ (7556.30) lakhs and Fixed deposits ₹ (994.06) lakhs set-off by Inflow on sale of equity shares of ₹ 7571.53 lakhs and Inflow on maturity of Fixed deposits ₹ 994.06 lakhs amongst others.

In the FY 2023, net cash used in investing activities was ₹ (656.19) lakhs which was due to increase in investments in Equity shares ₹ (2884.82) lakhs and Fixed deposits ₹ (3298.77) lakhs set-off by Inflow on sale of equity shares of ₹ 2251.04 lakhs and Inflow on maturity of Fixed deposits ₹ 3298.77 lakhs amongst others.

In the FY 2022, net cash generated from investing activities was ₹ 33.31 lakhs which was due to increase in investments in Equity shares ₹ (1473.47) lakhs and Fixed deposits ₹ (1872.64) lakhs set-off by Inflow on sale of equity shares of ₹ 1529.89 lakhs and Inflow on maturity of Fixed deposits ₹ 1872.64 lakhs amongst others.

#### **Cash Flow from/(used in) Financing Activities**

For the period ended September 30, 2024, our net cash used in financing activities was NIL.

In the FY 2024, our net cash used in financing activities is NIL.

In the FY 2023, our net cash used in financing activities was ₹ (1.04) lakhs resulting from outflow from short term borrowings and interest expenses.

In the FY 2022, our net cash used in financing activities was ₹ (39.87) lakhs. This was primarily due to Increase in long term borrowings and short-term borrowings of ₹ 4.17 lakhs and ₹ 34.62 lakhs respectively amongst others.

#### **Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations: Unusual or infrequent events or transactions**



To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

**Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject to, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in ‘Factors Affecting our Results of Operations’ and the uncertainties described in the section entitled “*Risk Factors*” beginning on 26 of this Draft Red Herring Prospectus. To our knowledge, except as we have described in this Draft Red Herring Prospectus, there are no known factors which we expect to bring about significant economic changes.

**Income and Sales on account of major product/main activities**

Income and sales of our Company mainly consists of sale of products consisting of Jewellery equipments, Dental equipments and Dietary supplements under the brand name ARC Distributors (I) Limited.

**Whether the company has followed any unorthodox procedure for recording sales and revenues**

Our Company has not followed any unorthodox procedure for recording sales and revenues. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or transportation costs or prices that will cause a material change are known.

Other than as described in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 26, 142 and 225 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

**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 titled “*Risk Factors*” beginning on page 26 in this 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.

**Increases in revenues are by and large linked to increases in volume of business.**

The Company is in the business of trading of goods. The relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 102 of this Draft Red Herring Prospectus.

Our Company has not announced any new services or business services.

**The extent to which business is seasonal.**

Our Company’s business is not seasonal.

**Any significant dependence on a single or few suppliers or customers.**

**The % of contribution of our Company’s suppliers vis-à-vis the total purchases from operations respectively as of for the nine-month period ended December 31, 2024 and for FY 2022, 2023 and 2024 is as follows:**

(except percentages, ₹ in lakhs)

Particulars*	For the period ended December 31, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount	% of total Purchase	Amount	% of total Purchase	Amount	% of total Purchase	Amount	% of total Purchase
Top - 1	1,009.39	63.96%	2,033.54	72.97%	1,578.13	57.12%	1,499.96	68.91%
Top - 3	1,276.75	80.91%	2,360.82	84.72%	2,096.80	75.89%	1,772.18	81.41%

Particulars*	For the period ended December 31, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount	% of total Purchase	Amount	% of total Purchase	Amount	% of total Purchase	Amount	% of total Purchase
Top - 5	1,374.66	87.11%	2,497.63	89.62%	2,304.96	84.43%	1,931.44	88.73%
Top - 10	1,493.87	94.67%	2,662.80	95.55 %	2,559.35	92.64%	2,122.50	97.51%

The % of contribution of our Company's customers vis-à-vis the total revenue from operations respectively as of for the nine-month period ended December 31, 2024 and for the FY 2022, 2023 and 2024 is as follows:

*(except percentages, ₹ in lakhs)*

Particulars*	For the period ended December 31, 2024		For the year ended March 31, 2024		For the year ended March 31, 2023		For the year ended March 31, 2022	
	Amount	% of total Revenue *	Amount	% of total Revenue *	Amount	% of total Revenue *	Amount	% of total Revenue *
Top - 1	273.86	11.35%	348.56	11.06%	293.53	8.89%	214.50	8.50%
Top - 3	488.94	20.26%	710.57	22.55%	630.79	19.10%	598.62	23.72%
Top - 5	629.50	26.09%	926.17	29.40%	872.23	26.41%	787.95	31.22%
Top - 10	890.50	36.91%	1,211.72	38.46%	1,285.87	38.93%	1,073.37	42.53%

\* % of total revenue includes only revenue from sale of goods.

#### Competitive conditions.

Competitive conditions are as described under the Chapters titled "Industry Overview" and "Our Business" beginning on pages 102 and 142, respectively of this Draft Red Herring Prospectus.

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## **FINANCIAL INDEBTEDNESS**

As on the date of this Draft Red Herring Prospectus, there are no Secured or Unsecured loans on the books of our Company.

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## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; (iv) disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoter in the last five financial years, including outstanding action; or (v) Material Litigation (as defined below); involving our Company, its Directors and Promoters.*

*Our Board, in its meeting held on March 24, 2025 determined that outstanding legal proceedings involving the Company, its Directors and Promoter will be considered as material litigation (“Material Litigation”) if the aggregate amount involved in such individual litigation exceeds 1 % of profit after tax of the Company, as per the last audited financial statements of the Company or such litigation outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI (ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5 % of the Company’s trade payables as per the last restated financial statements.*

#### **A. LITIGATION INVOLVING THE COMPANY**

##### **(a) Criminal proceedings against the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against 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 is no material litigation pending against the Company.

##### **(d) Other pending material litigations filed by the Company**

1. A Civil Suit No 1447/2023 was filed on March 28, 2023 by our Company against K-2 Distributors, in the Bombay City Civil Court at Dindoshi, for seeking issuance of Form C-2 or else payment of a sum of Rs. 5,56,582/- on account of supply of goods to the Defendant on concessional Central Sales Tax rate @ 2% (original VAT/ CST rate being 13.50%). The matter is still pending before the Court.
2. A Civil Suit No 1448/2023 was filed on March 28, 2023 by our Company against G. R. Nutrition, through sole proprietor Gaurav Rajput in the Bombay City Civil Court at Dindoshi, for seeking issuance of Form C-2 or else payment of a sum of Rs. 4,63,745.26. on account of supply of goods to the Defendant on concessional Central Sales Tax rate @ 2% (original VAT/ CST rate being 13.50%). The matter is still pending before the Court.
3. A Commercial Suit No 104984/2023 was filed on April 25, 2023 by our Company against Amazon India Private Limited, in the City Civil Court at Mumbai for seeking payment of a sum of Rs.10,98,376/- on account of supply of goods through the Defendant’s online platform. The matter is still pending before the Court.

##### **(e) Actions by statutory and regulatory authorities against the Company**

1. An Order numbering MCH/ADC/AK/71/2020-21 dated October 09, 2020 was passed by Addl. Commissioner of Customs, Mundra, as per which our Company had short levied the IGST on their import of ‘Nutrition Dietary Supplements’ vide three Bills of Entry no. 2515440 dated July 19, 2017, no. 3421378 dated September 28, 2017 and no. 3435716 dated September 28, 2017 by mis-classifying the imported goods. A Show Cause Notice was issued on July 9,

2020 for recovery of the differential amount. The Adjudicating Authority had ordered payment of Rs. 6,37,004 along with interest and an equal amount of penalty. The Company filed an appeal numbering Mun-CUSTM-000-APP-288-21-22 under section 128 A of the Customs Act, 1962 against the said order dated October 09, 2020. Vide order dated February 16, 2022, the Appellate Authority, Commissioner (Appeals) Customs, Ahmedabad rejected the Appeal. The Company went into a second appeal before the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad, which allowed the appeal filed by the Company vide order dated May 20, 2024. Company has filed an application dated April 17, 2025 for refund of Rs. 63,526 being the amount of pre-deposit of Rs. 47,776 and payment of Rs. 15,750 which was 2.5% of custom duty paid on July 30, 2022.

2. Company had received a notice dated March 30, 2024 under section 148 of the Income Act, 1961 vide which the IT department had initiated a re-assessment of the return filed by the Company for the Assessment Year 2017-18. Our Company filed writ petition no. 3606 of 2024 at High Court of Judicature at Bombay, and the writ petition was allowed vide order dated September 02, 2024 on the ground that the Income Tax Department had no jurisdiction to issue the impugned notice, and the said notice for re-assessment was set aside. Aggrieved by the said order of the High Court, the Department has filed SLP(C) No. 010360 - / 2025 registered on April 09, 2025 against the Company and many others in the Supreme Court of India for which notice is yet to be received by the Company. Matter is sub-judice before Supreme Court of India.

## **B. LITIGATIONS INVOLVING THE PROMOTERS & DIRECTORS OF THE COMPANY**

### **(a) Criminal proceedings against the Promoters & Directors of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the Promoters & Directors of the Company.

### **(b) Criminal proceedings filed by the Promoters & Directors of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the Promoters & Directors of the Company.

### **(c) Other pending material litigations against the Promoters & Directors 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 Promoters & Directors of the Company**

1. Our Promoter, Devang Champaklal Goradia has filed a Suit for Specific Performance against Kishan K. Punjabi (since deceased), Administrative General and Dipak Patel, for the purchase of Flat No.17, Sagar Samir Co-operative Housing Society Limited, Andheri (W), Mumbai. The deceased Defendant had transferred the said flat to defendant, Dipak Patel, despite an advance of Rs. 5 lakhs paid out of agreed consideration of Rs. 94.50 Lakhs by our Promoter. The suit has been decreed in favour of our Promoter vide order dated November 09, 2020 directing our Promoter to deposit the balance consideration of Rs. 89.50 Lakhs, thereafter the sale deed was to be executed by the Administrative General in favour of our Promoter. Out of the said consideration an amount of Rs. 46 lakhs was to be paid to Dipak Patel and balance was to be paid to the survivors of the joint holder T. K Punjabi. Dipak Patel has filed appeal numbering 78 of 2021 in the High Court of Judicature, at Bombay challenging the said Order. The Appeal is still pending adjudication.
2. Our Director, Hiren Mahendra Mehta's grandfather RatanLal ManekLal Mehta had leased a portion on the First Floor of their Building, 'Ratan Mahal' to Defendant No1, who had unlawfully sublet it to Defendant No 3, a partnership firm of Defendant No.2. On the demise of the grandfather, our Director's grandmother, Chandanben RatanLal Mehta and his father, Mahendra Ratan Lal Mehta, jointly filed a civil suit in the small causes court at Mumbai, in the year 1971 against Defendant No.1,2 & 3 for vacation of the premises. During the proceedings, on the death of Defendant No 1 & 2, legal heirs were brought on record. Similarly, after the demise of his father, our Director was also brought on record.

A settlement was arrived between the Plaintiffs and Defendant No.2A, the second wife of Defendant No.2 and consent terms were drawn up and filed in the court and against rest of the Defendants an Ex-parte Decree was passed by the Small Causes Court including the daughters of the Defendant No.2. However, the daughters of the First wife of

Defendant no.2 challenged the Consent Terms and the Ex-parte Decree passed against them. The same was carried in Appeal by the Plaintiffs and the Appellant Courts order in favor of the Plaintiffs, is challenged by the said two Daughters by way of a Civil Writ Petition numbering 9984/2024 in the High Court of Judicature at Mumbai. The matter is still sub judice.

**(e) Actions by statutory and regulatory authorities against the Promoters & Directors of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions initiated by the statutory and regulatory authorities against the Promoters & Directors.

**(f) Disciplinary actions including penalties imposed by SEBI or stock exchanges against the Promoters in the last five financial years, including outstanding action**

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions by SEBI or stock exchanges against the Promoters, nor any penalties have been imposed in the last five years.

**C. LITIGATIONS INVOLVING THE SUBSIDIARY/ GROUP COMPANIES OF THE COMPANY**

As on the date of this Draft Red Herring Prospectus there is neither subsidiary nor Group Company of our Company.

**D. LITIGATIONS INVOLVING THE KMPs (EXCLUDING THE MD AND WTD) AND SMPs OF THE COMPANY**

**(a) Criminal proceedings against the KMPs and SMPs of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against the KMPs and SMPs of the Company.

**(b) Criminal proceedings filed by the KMPs and SMPs of the Company**

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by the KMPs and SMPs of the Company.

**(c) Actions by statutory and regulatory authorities against the KMPs and SMPs 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 KMPs and SMPs of the Company.

**E. TAX PROCEEDINGS**

Nature of Proceedings	Number of cases	Amount involved* (Rs. in lakhs)	Status
<b>Company</b>			
Income Tax e-Proceedings	2	71.38	<b>AY 2016-17</b>  Our Company received a Notice dated April 06, 2023 under section 148 informing that certain income has escaped assessment and the same is required to be re-assessed. An order dated April 06, 2023 under Clause (d) of Section 148 A of IT Act, 1961 was issued informing that during the Search and Seizure action on February 02, 2022 on Sh. Ramesh Chaurasia, Shri Achal Chaurasia and CA Sanjay Shah it was alleged that information was received through Insight Portal that these entities were engaged in providing bogus entries through many bogus companies run by CA Sanjay Shah. One of the bogus Company was India Infotech and Software Limited and it was alleged that our Company has undertaken a transaction of Rs.1,03,35,410 with India Infotech. Therefore, this amount has escaped assessment. Company had filed the Return for AY 2016-17 on October 17, 2016 showing its Total Income as 'NIL'. A Show Cause Notice dated March 23, 2023 was issued to the Company u/s 148(b) as to why the notice u/s 148 not be issued on the basis of above

Nature of Proceedings	Number of cases	Amount involved* (Rs. in lakhs)	Status
<b>Company</b>			
			<p>information. Company had submitted its reply on March 28, 2023 and denied any transaction with India Infotech. A Notice under section 148 was issued on April 06, 2023 for re-assessment of income. But the reply was not accepted and order for issuance of Notice u/s 148 was passed. Company filed the revised return on May 02, 2023. Company received a notice dated July 27, 2023 u/s 143(3) for further clarification. A Notice dated November 17, 2023 u/s 142(1) was received for providing further document/information. The latest notice received in the matter was dated September 23, 2024 u/s 142(1) for providing details of the transaction with India Infotech. Company has submitted its reply on October 14, 2024 giving details of Unsecured Loan taken from India Infotech including the Loan Agreement and No dues certificate from them.</p> <p>The Case was decided against the Company by the National Faceless Assessment Center vide order dated March 26, 2025 assessing the total income as Rs.1,03,79,013.00. Our Company has filed appeal on April 23, 2025 against the said order, before the Commissioner of Income Tax (Appeals) National Faceless Appellate Center. The final demand order u/s 156 dated March 26, 2025 has been received for Rs.71,37,740. Company has filed an appeal before CIT(A) against the reassessment order and the consequential demand raised thereon on May 13, 2025. Further, a show cause notice dated March 26, 2025 for initiating penalty proceeding u/s 271(1)(c) has also been issued against which the Company has filed a response and have sought for keeping the penalty proceedings in abeyance till the disposal of the appeal by CIT(A).</p> <p><b>AY 2017-18</b></p> <p>The return was assessed with refund on December 21, 2017. However, on March 30, 2024, Company received a Notice u/s 148 dated March 30, 2024 to re-submit the Return in reference to a Search and Seizure operation conducted under Section 132 of one CA Sanjay Shah. Company received an intimation letter dated June 18, 2024 for reassessment under section 144B. Our Company filed the Return on June 29, 2024. A letter dated July 11, 2024 was received for certain clarifications u/s 143(3). Company submitted its reply on August 01, 2024 informing that it has filed a Writ Petition no.3606 in Bombay High Court against the notice under section 148 dated March 30, 2024 ("repugnant notice") re-assessment proceedings for 2017-18. Vide order dated September 02, 2024, Bombay High Court set aside the Notice under section 148 dated March 30, 2024. Our Company has submitted the copy of the High Court Order dated September 02, 2024 to the National Faceless Assessment Centre. There is no further progress in the matter.</p>
Direct Tax (TDS)			Nil
<b>Indirect Tax (GST)</b>			

Nature of Proceedings	Number of cases	Amount involved* (Rs. in lakhs)	Status
<b>Company</b>			
Indirect Tax (GST)	4	618.05	<ol style="list-style-type: none"> <li>One Assessment Order no.2461447 dated March 31, 2020 under section 23 of Mumbai Value Added Tax (MVAT) Act, 2002 for FY 2015-16 was issued wherein additional value added tax (VAT), interest and penalty of Rs. 3,21,29,090 was assessed to be paid by the Company. Company had filed an appeal on August 13, 2020 against the order by depositing Rs.13,58,714.40. A stay order under section 26 of MVAT Act, 2002 was issued on January 09, 2021 for staying further recovery proceedings of Rs.2,90,41,666.60 against the Company till the final Appeal Order is issued. The final payable amount after considering the amount already deposited is Rs.3,07,70,375.60.</li> <li>One Assessment Order no. 0002461446 dated March 31, 2020 under section 9(2) of Central Sales Tax Act, 1957 for FY 2015-16 was issued wherein additional CST, interest and penalty of Rs. 46,84,760.00 was assessed to be paid by the Company. Company had filed an appeal on August 11, 2020 against the order by depositing Rs.5,47,017. A stay order under section 26 of the CST ACT,1956 was issued on March 01, 2024 for staying further recovery proceedings of Rs. 39,54,679 against the Company till the final Appeal Order is issued. The final payable amount after considering the amount already deposited is Rs.41,37,743.</li> <li>One Assessment Order no. 3696545 dated March 31, 2021 under section 23 of Mumbai Value Added Tax (MVAT) Act, 2002 for FY 2016-17 was issued wherein additional value added tax (VAT) and interest of Rs. 1,20,59,297 was assessed to be paid by the Company. Company had filed an appeal on October 08, 2021 against the order by depositing Rs.4,20,509. A stay order under section 26 of MVAT Act, 2002 was issued on December 23, 2021 for staying further recovery proceedings of Rs. 1,16,38,788 against the Company till the final Appeal Order is issued. The final payable amount after considering the amount already deposited is Rs.1,16,38,788.</li> <li>One Assessment Rectification Order no. 0006504973 dated May 31, 2024 under section 9(2) of Central Sales Tax Act, 1957 for FY 2016-17 was issued wherein additional CST and interest of Rs.1,69,11,168 was assessed to be paid by the Company. Company had filed an appeal against the order by depositing Rs.16,53,533. A stay order under section 26 of the CST ACT,1956 was issued on April 17, 2025 for staying further recovery proceedings of Rs. 1,52,57,635 against the Company till the final Appeal Order is issued. The final payable amount after considering the amount already deposited is Rs.1,52,57,635.</li> </ol>
<b>Total</b>	<b>6</b>	<b>689.43</b>	



#### 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. The trade payables for the stub period ended on December 31, 2024 were ₹ 1,599.27. Accordingly, a creditor has been considered 'material' if the amount due to such creditor exceeds ₹ 79.96 lakhs. This materiality threshold has been approved by our Board of Directors pursuant to the resolution passed on March 24, 2025. Based on these criteria, details of outstanding dues owed as on December 31, 2024 by our Company on are set out below:

(₹ in lakhs)

Particulars	No. of creditors	Amount
<b>Outstanding dues to material creditors</b>		
Outstanding dues to micro, small and medium enterprise	-	-
Outstanding dues to other creditors	01	1,460.55
<b>Outstanding dues to other than material creditors</b>		
Outstanding dues to micro, small and medium enterprise	04	2.28
Outstanding dues to other creditors	39	136.44
<b>Total Outstanding Dues</b>	<b>44</b>	<b>1,599.27</b>

The details pertaining to net outstanding dues towards our material creditors as on 31<sup>st</sup> December, 2024 (along with the names and amounts involved for each such material creditor) are available on the website of our Company at arc-distributors.com. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

#### 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 225 of this Draft Red Herring Prospectus, there have been no material developments that have occurred after the Last Balance Sheet date.

## GOVERNMENT AND OTHER KEY APPROVALS

Except as mentioned below, our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Central and State Governments and other government agencies/ regulatory authorities/ certification bodies required to undertake the Issue or continue our business activities and no further approvals are required for carrying on our present or proposed business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

For details in connection with the regulatory and legal framework within which we operate, see the section titled “Key Industrial Regulations and Policies” at page 157 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.

### I. APPROVALS FOR THE ISSUE

The following approvals have been obtained in connection with the Issue:

#### Corporate Approvals:

- a) The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on March 24, 2025 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
- b) The shareholders of our Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a Special Resolution passed in the Extra Ordinary General Meeting held on March 26, 2025 authorized the Issue.
- c) Our Board approved the Draft Red Herring Prospectus pursuant to its resolution dated May 16, 2025.

#### Approval from the Stock Exchange:

In-principle approval dated [●] from BSE for using the name of the Exchange in the offer documents for listing of the Equity Shares on SME Platform of BSE, issued by our Company pursuant to the Issue.

#### Agreements with NSDL and CDSL:

- a) The company has entered into an agreement dated September 23, 2024 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is KFin Technologies Limited, for the dematerialization of its shares.
- b) Similarly, the Company has also entered into an agreement dated August 30, 2024 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is KFin Technologies Limited for the dematerialization of its shares.
- c) The International Securities Identification Number (ISIN) of our Company is INE13KK01010

### II. APPROVALS PERTAINING TO INCORPORATION, NAME AND CONSTITUTION OF OUR COMPANY

Sr. No.	Nature of Registration	Certificate is in the name of	CIN	Applicable Laws	Issuing Authority	Date of Certificate	Date of Expiry
1.	Certificate of Incorporation	ADF Overseas Private Limited	U51909MH2008PTC1807040	The Companies Act, 1956	Registrar of Companies, Maharashtra	April 02, 2008	Valid Until Cancelled

Sr. No.	Nature of Registration	Certificate is in the name of	CIN	Applicable Laws	Issuing Authority	Date of Certificate	Date of Expiry
	of 'ADF Overseas Private Limited'						
2.	Certificate of Incorporation on change of name from 'ADF Overseas Private Limited' to 'ARC Distributors (I) Private Limited'	ARC Distributors (I) Private Limited	U51909MH2008PTC1807040	The Companies Act, 1956	Registrar of Companies, Maharashtra	October 24, 2011	Valid Until Cancelled
3.	Certificate of Incorporation on change of name from 'ARC Distributors (I) Private Limited' to 'ARC Distributors (I) Limited'	ARC Distributors (I) Limited	U46909MH2008PLC1807040	The Companies Act, 1956	Registrar of Companies, Central Processing Centre	November 05, 2024	Valid Until Cancelled

### III. OTHER APPROVALS

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

#### A. TAX RELATED APPROVALS:

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
1.	Permanent Account Number (PAN)	ARC Distributors (I) Limited	AAGCA9220M	Income Tax Act, 1961	Income Tax Department, Government of India	April 02, 2008	Valid Until Cancelled
2.	Tax Deduction Account Number (TAN)	ARC Distributors (I) Limited	MUMA48045E	Income Tax Act, 1961	Income Tax Department, Government of India	December 04, 2024	Valid Until Cancelled
3.	Certificate of Registration of Goods and Services Tax (Maharashtra)	ARC Distributors (I) Limited	27AAGCA9220M1ZF	Central Goods and Services Tax Act, 2017	Superintendent of State Tax	December 24, 2024 w.e.f. July 01, 2017	Valid Until Cancelled
4.	Certificate of Enrolment of Profession Tax (Maharashtra), if any	ARC Distributors (I) Private Limited	99651951449P	Maharashtra State Tax on Professions, Trades, Calling and Employment Act, 1975	Maharashtra Goods and Services Tax Department	July 11, 2016 w.e.f. from April 02, 2008	Valid Until Cancelled
5.	Certificate of Registration of Profession Tax (Maharashtra)	ARC Distributors (I) Private Limited	27540912033P	Maharashtra State Tax on Professions, Trades, Calling and	Maharashtra Goods and Services Tax Department	December 13, 2024 w.e.f. From May 08, 2012	Valid Until Cancelled

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
				Employment Act, 1975			

**B. BUSINESS OPERATIONS RELATED APPROVALS:**

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
1.	Udyam Registration Certificate	ARC Distributors (I) Limited	UDYAM-MH-18-0087134	MSME Development Act, 2006	Ministry of Micro Small & Medium Enterprises, Government of India	August 06, 2021	Valid Until Cancelled
2.	Certificate of Importer-Exporter Code (IEC)	ARC Distributors (I) Private Limited	0312044143	The Foreign Trade (Development and Regulation) Act, 1992	Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India	September 26, 2012	Valid until cancelled
3.	License under FSS Act, 2006	ARC Distributors (I) Private Limited	10017022006583	Food Safety and Standards Act, 2006	Food Safety and Standards Authority of India	August 17, 2024	August 31, 2025
4.	Registration certificate to Sell, Stock, Exhibit or Offer for Sale or Distribute Medical Device including In Vitro Diagnostic Medical Device In Form MD-42	ARC Distributors (I) Private Limited	MH/GB/ZONE-7/21/MD-42/09/2022	Drugs and Cosmetics Act, 1940 and the Medical Devices Rules, 2017	Licensing Authority Medical Devices, Food & Drugs Administration, Maharashtra	December 05, 2022	December 04, 2027

**C. LABOUR LAW RELATED APPROVALS:**

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
1.	Registration under Employees' Provident Funds	ARC Distributors (I) Private Limited	KDMAL3416254000	Employees (Provident Fund and Miscellaneous)	Employees' Provident Fund Organisation	October 28, 2024 w.e.f. from October 01, 2024	Valid until Cancelled

Sr. No	Description	Certificate is in the name of	Registration number	Applicable laws	Authority	Date of Certificate	Date of Expiry
				Provisions) Act, 1952			
2.	Employees' State Insurance Registration	ARC Distributors (I) Private Limited	35000987520000 999	Employees' State Insurance Act, 1948	Employees' State Insurance Corporation	October 28, 2024	Valid until Cancelled
3.	Shops & Establishments Registration Certificate for the Registered Office at ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India	ARC Distributors (I) Limited	820376817/ RC Ward / COMMERCIAL II	Maharashtra Shop and Establishments (Regulations of Employment and conditions of Service) Act, 2017	Shop and Establishment Department	February 10, 2025	Valid until cancelled
4.	Shops & Establishments Registration Certificate for the Warehouse at B4/126, Chitranjan Colony, Rajawadi CHS Ltd. Ghatkopar (East) Mumbai - 400077	ARC Distributors (I) Limited	820387156 / N Ward/COMMERCIAL II	Maharashtra Shop and Establishments (Regulations of Employment and conditions of Service) Act, 2017	Shop and Establishment Department	April 20, 2025	Valid until cancelled
5.	Godown No. 7, Ground Floor, Harihar Complex, Building No. A-24 Village Dapode, Bhiwandi, Thane	ARC Distributors (I) Limited	104534792503	Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Rules, 2018	Shop and Establishment Department	April 29, 2025	Valid until cancelled

#### **D. APPROVALS OBTAINED IN RELATION TO INTELLECTUAL PROPERTY RIGHT (IPR)**





As on the date of the filing of this Draft Red Herring Prospectus, the Company does not have any IPR registered in its name. It has applied for registration of certain trademarks, details of which are given in Section V below.

#### **IV. THE DETAILS OF DOMAIN NAME REGISTERED ON THE NAME OF THE COMPANY:**

Sr. No.	Domain Name	Name of Registrar/ IANA ID	Creation Date	Expiry Date
1.	Arc-distributors.com	Go Daddy.com LLC//146	March 15,2007	March 15, 2029

#### V. APPROVALS OR LICENSES APPLIED BUT NOT RECEIVED:

Company has applied for registration of the following trademarks:

Sr. No.	Description	Temporary Reference Number Number/Mark/Label	Class	Applicable Laws	Issuing Authority	Date of Application
1	Logo (Device)	12017512 	8	Trade Marks Act, 1999	Trade Mark Registry	March 01, 2025
2.	Logo (Device)	12017540 	10	Trade Marks Act, 1999	Trade Mark Registry	March 01, 2025
3.	Logo (Device)	12017424 	5	Trade Marks Act, 1999	Trade Mark Registry	March 01, 2025
4.	Logo (Device) for PerfectBody	12018387 	5	Trade Marks Act, 1999	Trade Mark Registry	March 01, 2025

The Company has applied for **Change in Name** in the following Approvals/Licences which are yet to be received:

Sr. No	Approval/ Licence	Approval presently in the Name of	Application to Change the Name to	Application number	Authority	Date of Application	Status
1.	Registration under Employees' Provident Funds	ARC Distributors (I) Private Limited	ARC Distributors (I) Limited	Letter No: IR03861537	Regional Provident Fund Commissioner	March 03, 2025	Pending

#### VI. APPROVALS OR LICENSES PENDING TO BE APPLIED:

Our Company proposes to establish a manufacturing facility for (i) Whey Protein and (ii) Jewellery Making Tools. The land and infrastructure required for the proposed unit have been identified. A Chartered Engineer's Report dated May 07, 2025, has been obtained from Bhavin R. Patel & Associates, covering the details of the proposed manufacturing unit.

Proposed Approvals and Licenses for the New Unit:-

Sr. No.	Approval / License	Applicability	Description
1	Contract Labour Certificate	Applicable	Required if contract labourers are engaged; must obtain certificate under Contract Labour (Regulation & Abolition) Act, 1970.

Sr. No.	Approval / License	Applicability	Description
2	Membership of Common Hazardous Waste Disposal Facility (CHWIF)	Applicable	Unit must obtain membership of an approved Common Hazardous Waste Management Facility for safe disposal of hazardous waste.
3	Fire NOC	Applicable	Unit must obtain Fire No Objection Certificate from the local fire department.
4	Food Safety Systems Certification (FSSC)	Not Mandatory	Certification under FSSC standards is optional; not mandatory for unit operations.
5	Stability Certificate (Certificate of Stability)	Applicable	Unit must obtain a Stability Certificate from a Chartered Engineer certifying the structural soundness of the building.
6	Diesel Generator Set Approval	Applicable	Certificate required for operation of Diesel Generator (DG) sets based on their installed capacity under pollution control norms.
7	Retention of License (Food & Drugs Control Administration)	Applicable	Unit must obtain and retain license from Food and Drugs Control Administration for food product manufacturing (for Whey Protein).
8	Factory License	Applicable	Unit must obtain Factory License under the Factories Act, 1948 from Directorate of Industrial Safety and Health before commencing production.
9	Food Safety and Standards Authority of India (FSSAI) License	Applicable	Mandatory for manufacturing, storage, and distribution of food products such as Whey Protein.
10	UDYAM Registration (MSME Registration)	Applicable	Required for the new manufacturing unit under the Ministry of MSME, Government of India.
11	Import Export Code (IEC) Certificate	Applicable (If required)	Mandatory if the Company intends to import raw materials or export finished goods.

## SECTION IX-OTHER REGULATORY AND STATUTORY DISCLOSURES

### **Authority for the Issue**

#### ***Corporate Approvals***

The Issue has been authorized by our Board of Directors pursuant to the resolution passed at its meeting dated March 24, 2025, and our Shareholders pursuant to a special resolution passed at their Extra-Ordinary General Meeting dated March 26, 2025, under Section 62(1)(c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary. This Draft Red Herring Prospectus has been approved by our Board for filing with the Stock Exchange pursuant to the resolution passed at its meeting held on May 16, 2025. For further details, see “*The Issue*” on page 51 of this Draft red Herring Prospectus.

#### ***In-principle Listing Approvals***

Our Company has obtained In-principle approval from BSE Limited vide their letter dated [●] to use the name of BSE Limited in the Draft Red Herring Prospectus for listing of our Equity Shares on SME Platform of BSE Limited. BSE Limited is the Designated Stock Exchange for the purpose of this Issue.

#### ***Prohibition by SEBI or Government Authorities***

Our Company, Promoters, members of the Promoter Group, Directors or persons in control of the Promoters or the Company 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 on the date of this Draft Red Herring Prospectus.

#### ***Prohibition By RBI***

Neither our Company, nor our Promoters, nor Promoter Group, nor our Directors have been identified as a wilful defaulter or fraudulent borrowers, as defined in SEBI ICDR Regulations, 2018 or by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 237 of this Draft Red Herring Prospectus.

#### ***Compliance under Companies (Significant Beneficial Owners) Rules, 2018***

Our Company, Promoters and members of the Promoter Group, severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

#### ***Directors associated with the Securities Market***

None of our Directors are, in any manner, associated with securities market. Further there has been no outstanding actions initiated by the SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus except as stated under the chapters titled “*Risk factors*”, “*Our Promoter and Promoter Group*” and “*Outstanding Litigations and Material Developments*” beginning on pages 26, 184 and 237 respectively, of this Draft Red Herring Prospectus.

#### ***Eligibility for the Issue***

We are an unlisted company and are eligible for the Initial Public Offer in accordance with Regulation 229 (1) of the SEBI ICDR Regulations including the following:

“An issuer shall be eligible to make an initial public offer only if its post-issue paid-up capital is less than or equal to ten crore rupees.”



As per Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, our Company satisfies track record and / or other eligibility conditions of SME Platform of BSE Limited (“**BSE SME**”) in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations as below:

- Our Company was incorporated on April 02, 2008 , under the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai.
- As on the date of this Draft Red Herring Prospectus, our Company has a total paid-up capital (face value) of ₹ 566.00 Lakhs comprising of 56,60,000 Equity Shares of ₹ 10/- each and the post-issue paid-up capital (face value) will be upto ₹ 806.00 Lakhs comprising up to 80,60,00,000 Equity Shares which shall be below ₹25 crores.
- As per the Restated Financial Statements, our Company has net worth of at least ₹1 Cr for 2 preceding full financial years depicted as follows:

(₹ in Lakhs)

Particulars	As on March 31, 2024	As on March 31, 2023	As on March 31, 2022
Net Worth	1105.30	209.97	91.86

- Based on the Restated Financial Statements, Company’s Net Tangible Assets for the full financial year ended March 31, 2024 was more than Rs. 3 Crores and the working is given below:

(₹ in Lakhs)

Particulars	March 31, 2024
Net Worth	1105.30
Less: Intangible Assets	0.00
Less: Deferred tax Asset	9.36
Net Tangible Assets	1095.94

- Our Company was incorporated on April 2, 2008, and has an operational track record of over three years as of the date of this Draft Red Herring Prospectus.
- Our Company has operating profits (earnings before interest, depreciation and tax) of ₹ 1 Crore from operations for at least two out of three previous financial years preceding the application date as per the Restated Financial Statements, details as below

(₹ in Lakhs)

Particulars	For the Period ended December 31, 2024	For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
Net Profit before Tax	623.23	1032.82	176.36	-117.94
Add: Finance Cost	0.00	0.00	0.02	1.08
Add: Depreciation and Amortisation Expenses	11.90	18.74	12.60	12.20
Add: Diminution in value of Investments	193.49	-	67.78	281.38
Add: Loss from speculative and derivative trading	0.23	-	-	130.83
Less: Other Income excluding Foreign exchange gain and balances written back	387.83	761.45	187.89	168.01
<b>EBITDA</b>	<b>441.02</b>	<b>290.10</b>	<b>68.86</b>	<b>139.53</b>

- The Company's leverage ratio (Total Debt to Equity) was nil as of December 31, 2024, which is well within the permissible limit of 3:1.

The working is given below:

(₹ in Lakhs)

Particulars	December 31, 2024
Long Term Borrowings	Nil
Short Term Borrowings	Nil

Particulars	December 31, 2024
<b>Total Debt (A)</b>	<b>Nil</b>
Paid-up Share Capital	566.00
Reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account	977.61
<b>Net worth (B)</b>	<b>1543.61</b>
<b>Debt-Equity Ratio (A / B)</b>	<b>Nil</b>

- h) Our Company confirms that no regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past in respect of Promoter/ Promoting company(ies), Group companies, Companies promoted by the Promoter/Promoting company(ies) of our Company.
- i) None of our Promoters/Directors (other than Independent Directors) are/were Promoters/Directors of any company which was compulsorily delisted by any stock exchange nor were their trading suspended on account of non-compliance.
- j) None of our Directors were ever disqualified/ debarred by any of the regulatory authorities.
- k) There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our company, promoter/promoting company(ies), group companies, companies promoted by the promoter/promoting company(ies).
- l) Our Company confirms that there has been no change in its name last 1 year immediately preceding the date of this Draft Red Herring Prospectus
- m) We are not proposing any Offer for Sale (OFS) by any selling shareholder in this Draft Red Herring Prospectus.
- n) We are not proposing any Repayment of Loan from Promoter, Promoter Group or any related party, from the issue proceeds, whether directly or indirectly.
- o) Our Company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against our Company and promoting companies.
- p) There is no winding up petition against the company, which has been admitted by NCLT / Court of competent jurisdiction or a liquidator has not been appointed.
- q) The Company has facilitated trading in demat securities and has entered into an agreement with both the depositories. Our Company has entered into an agreement with Central Depository Services Limited (CDSL) dated September 23, 2024 and National Securities Depository Limited (NSDL) dated August 30, 2024 for dematerialization of its Equity Shares proposed to be issued
- r) The Equity Shares of our Company held by our Promoters are in dematerialised form.
- s) Our company has ensured that none of the merchant bankers involved in the IPO have instances of any of their IPO draft offer document filed with the BSE being returned in the past 6 months from the date of application.
- t) We have disclosed the details of our Company, Promoter/Promoting Company(ies), Group Companies, companies promoted by the Promoter/Promoting Company(ies) litigation record, the nature of litigation, and status of litigation. For details, please refer the chapter “*Outstanding Litigation and Material Developments*” on page 237 of this Draft Red Herring Prospectus.
- u) The Company has a website: <https://www.arc-distributors.com/>
- v) The application for listing of the equity shares of our company has not been rejected by the BSE in last 6 complete months.

***As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:***

- (a) The Draft Red Herring Prospectus has been filed with BSE and our Company has made an application to BSE for listing of its Equity Shares on the SME platform of BSE. BSE is the Designated Stock Exchange.
- (b) To facilitate trading in demat securities; the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:  
  
Tripartite agreement dated August 30, 2024, with NSDL, our Company and Registrar to the Issue;  
Tripartite agreement dated September 23, 2024, with CDSL, our Company and Registrar to the Issue;  
The Company's shares bear an ISIN: INE13KK01010
- (c) The entire pre-Issue capital of our Company has fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- (d) The entire Equity Shareholding held by the Promoters as on the date of DRHP is in dematerialised form.
- (e) The entire fund requirement is to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue. The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. For details, please refer the chapter "*Objects of the Issue*" on page 80 of this Draft Red Herring Prospectus.
- (f) We are not proposing any Offer for Sale (OFS) by any selling shareholder in this Draft Red Herring Prospectus.
- (g) We are not proposing any Repayment of Loan from Promoter, Promoter Group or any related party, from the issue proceeds, whether directly or indirectly.

Our Company confirms that it will ensure compliance with the conditions specified in Regulation 230 (2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Issue in terms of Regulation 228 of the SEBI ICDR Regulations, to the extent applicable. The details of our compliance with Regulation 228 of the SEBI ICDR Regulations are as follows:

- A. Neither our Company nor our Promoters, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- B. None of our Promoters or Directors is Promoter or Directors of companies which are debarred from accessing the capital markets by the SEBI.
- C. Neither our Company nor our Promoters or Directors is a wilful defaulter or Fraudulent Borrower.
- D. None of our Promoters or Directors has been declared as a fugitive economic offender under Economic Offenders Act, 2018.

We further confirm that:

- 1. We further confirm that we shall be complying with all the other requirements as laid down for such Issue under Chapter IX of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.
- 2. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "*General Information – Underwriting*" beginning on page 65 of this Draft Red Herring Prospectus.

3. 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 Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus.
4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will 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 BSE (“**BSE SME**”). For further details of the arrangement of market making please refer to section titled “*General Information- Details of the Market Making Arrangements for this Issue*” beginning on page 65 of this Draft Red Herring Prospectus.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS 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 THE SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, CUMULATIVE CAPITAL PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, WILL BE RESPONSIBLE FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, CUMULATIVE CAPITAL PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, CUMULATIVE CAPITAL PRIVATE LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MAY 16 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

#### ***Note:***

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Draft Red Herring Prospectus with the Registrar of Companies, Maharashtra at Mumbai in terms of Section 26 and 32 of the Companies Act, 2013.

#### ***Disclaimer from our Company, Directors and the Book Running Lead Manager***

Our Company, Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our

Company's website, [www.arc-distributors.com](http://www.arc-distributors.com) or the website of any affiliate of our Company, would be doing so at his or her own risk.

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement entered between the Book Running Lead Manager (Cumulative Capital Private Limited) and our Company and the Underwriting Agreement dated [●] entered into between the Underwriters, our Company and the Market Making Agreement dated [●] entered into among the Market Maker, our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, Underwriters and their respective directors, partners, designated 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, 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, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Manager and its respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### ***Disclaimer in respect of Jurisdiction***

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 Lakhs, pension funds with minimum corpus of ₹ 2,500 Lakhs and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares issued hereby in any jurisdiction other than India to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the BSE Limited for its observations and BSE Limited shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

***Disclaimer Clause of the SME Platform of BSE***

As required, a copy of this Offer Document has been submitted to BSE Limited (hereinafter referred to as BSE). BSE has given vide its letter Ref.: [●] dated [●], 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 this 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 BSE should not in any way be deemed or construed that the offer document has been cleared or approved by BSE; 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 promoters, 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, 1993***

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in 205 Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

***Filing of Draft Red Herring Prospectus with the Board and the Registrar of Companies***

The Draft Red Herring Prospectus is being filed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001, 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 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 26 & 32 of the Companies Act, 2013 will be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 will be filed with the RoC through the electronic portal at <http://www.mca.gov.in>.

## ***Listing***

Application will be made to the “BSE Limited” for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

BSE Limited has given its in-principle approval for using its name in the Offer Document vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the bidders in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Issue Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within three Working Days from the Issue Closing Date.

## ***Mechanism for Redressal of Investor Grievances***

*The agreement between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Issue 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 are no investor complaints received, none are pending as on the date of filing of this Draft Red Herring Prospectus.*

*Investors may contact the Book Running Lead Manager for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, 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, Book Running Lead Manager 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 has constituted a Stakeholders' Relationship to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and Issue of duplicate shares. For details, please refer to the chapter titled “Our Management” beginning on page 167 of this Draft Red Herring Prospectus.

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be Ten (10) 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 Pragnesh Ganpat Patel, as the Company Secretary & Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

**Pragnesh Ganpat Patel**

**ARC Distributors (I) Limited**

Address: ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India

Telephone: 022 2860 2323

Website: [www.arc-distributors.com](http://www.arc-distributors.com)

Email id: [info@arc-distributors.com](mailto:info@arc-distributors.com)



Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”.

This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in). Our Company has obtained SCORES authentication in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 read with the SEBI circular SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 in relation to redressal of investor grievances through SCORES. As on the date of this Draft Red Herring Prospectus there are no pending investor complaints. Our Company has not received any investor complaint in the three years prior to the filing of this Draft Red Herring Prospectus.

### **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.”*

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹1.00 million or one per cent of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years). Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

### **Consents**

Consents in writing of: (a) Directors, the Promoters, the Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Peer Review Auditor, Banker to the Company and (b) Book Running Lead Manager, Registrar to the Issue, the Syndicate Members\*, Bankers to the Issue/Escrow Bank\*, Public Issue Account Bank(s)\*, Sponsor Bank(s)\* and Refund Bank(s)\*, Underwriter\*, Market Maker\*, Banker to the Issue\*, and Legal Advisor to the Issue, 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 and 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and Prospectus for filing with the RoC.

*\* The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, our Peer Review Auditor, M/s R H D B & Co LLP, Chartered Accountants, have provided their written consent to the inclusion of their (1) Examination Report on Restated Financial Statements, (2) Restated Financial Statements and (3) Report on Statement of Possible Special Tax Benefits, which may be available to the Company and its shareholders, included in this Draft Red Herring Prospectus in the form and context in which they appear therein and such consents and reports have not been withdrawn up to the time of filing of this Draft Red Herring Prospectus.

### **Expert Opinion**

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



Our Company has received written consent dated April 26, 2025 from the Peer Review Auditor namely, M/s R H D B & Co LLP, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their (1) Report on Restated Financial Statements, and (2) Report on Statement of Possible Special Tax Benefits and issued by them, included 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.

**Statement on Price Information of Past Issues handled by Cumulative Capital Private Limited:**

Sr. No.	Issuer Company Name	Issue Size (₹ in Lakhs)	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 inclosing price, [+/- % change in closing benchmark]-90 <sup>th</sup> calendar days from listing	+/- % change inclosing price, [+/- % change in closing benchmark]-180 <sup>th</sup> calendar days from listing
<b>SME- IPOs</b>								
1.	Pelatro Limited	5,598.00	200.00	September 24, 2024	275.00	3.62%; [-5.80%]	37.68%; [-9.07%]	18.06%; [-9.98%]
2.	Agarwal Toughened Glass India Limited	6,263.57	108.00	December 5, 2024	135.00	-9.66%; [-2.85%]	-39.82%; [-10.63%]	NA
<b>Main Board IPOs</b>								
Nil								

**Notes:**

- Source: www.nseindia.com for the price information
- Wherever 30th/90th/180th calendar day from the listing day is a holiday, the closing data of the preceding trading day has been considered.
- Wherever 30th/90th/180th calendar day, the scrip are not traded than last trading price has been considered.
- Nifty 50 index is considered as the benchmark index.

**Summary statement of price information of past public issues handled by Cumulative Capital Private Limited**

Financial Year	Total no. of IPOs*	Total Funds Raised (₹ In lakhs)	Nos. of IPOs trading at discount- 30th calendar days from listing			Nos. of IPOs trading at premium- 30th calendar days from listing			Nos. of IPOs trading at discount- 180th calendar days from listing			Nos. 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%
SME IPOs														
FY 2024-25	2	11,861,57	-	-	1	-	-	1	-	-	-	-	1	-
Main Board IPOs														
FY 2024-25	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Track Record of past issues handled by Cumulative Capital Private Limited:**

For details regarding track record of Cumulative Capital Private Limited to the Issue 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 Cumulative Capital Private Limited at: [www.cumulativecapital.group](http://www.cumulativecapital.group)

### ***Stock Market data for our Equity Shares of our Company***

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations, and this Issue 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.

### ***Previous Rights and Public Issues***

Except as stated in the section titled “Capital Structure” beginning on page 68 of this Draft Red Herring Prospectus, we have not made any previous rights and/or public issues during last 5 years, and are an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is first “Initial Public Offering” in terms of the SEBI (ICDR) Regulations.

### ***Commission and Brokerage on Previous Issues***

Since this is the Initial Public Offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the last 5 years.

### ***Fees Payable to the Registrar to the Issue***

The fees payable to the Registrar to the Issue 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 Issue dated April 28, 2025, a copy of which is available for inspection at our Company’s Registered Office. The Registrar to the Issue 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 Issue to enable it to send allotment advice by registered post/speed post.

### ***Capital Issue during the Previous Three Years by Issuer Company and Listed Group Companies / Subsidiaries / Associates***

Neither our Company nor any of our Group Companies/Associates have undertaken any capital Issue or any public or rights Issue in the last three years preceding the date of this Draft Red Herring Prospectus. Further, as of the date of this Draft Red Herring Prospectus our Company has no listed subsidiary.

### ***Performance vis-à-vis Objects for our Company and/or Listed Subsidiary Company and/or Listed Promoters Company***

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding performance vis-à-vis objects is not applicable to us. Further, as of the date of this Draft Red Herring Prospectus our Company has no any listed corporate promoters and no listed subsidiary company.

### ***Outstanding Debentures, Bonds, Redeemable Preference Shares and Other Instruments issued by the Company.***

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

### ***Exemption under securities laws***

Our Company has not applied to SEBI for any exemption from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

## SECTION X – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the FIPB, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the FIPB, the Stock Exchange, the RoC and any other authorities while granting their approval for the Issue.

Please note that, in terms of Regulation 256 of the SEBI (ICDR) Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, 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 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, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, (together, the “**UPI Circular**”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by Individual Investors through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and Individual Investors submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“**UPI Phase II**”). Further SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice. However, due to the outbreak of COVID19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, vide SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, Phase III has been notified, and accordingly the revised timeline of T+3 days (i.e., the time duration from public issue closure to listing of be 3 Working Days) has been made applicable in two phases i.e., (i) voluntary for all public issues opening on or after September 1, 2023; and (ii) mandatory on or after December 1, 2023 (“**UPI Phase III**”). Accordingly, the issue will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no. SEBI/HO/CFD/P/CIR/2022/75 dated May 30, 2022 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances.

Further, vide the said circular Registrar to the Issue and Depository Participants have also been authorized to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

#### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act 2013, our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank *pari-passu* in all respects including dividend with the existing Equity Shares including rights in respect of dividends and other corporate benefits, if any, declared by after the date of Allotment Companies Act, 2013 and the Articles. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning from page 315 of this Draft Red Herring Prospectus.

#### Authority for the Issue

This Issue has been authorized by a resolution of our Board of Directors passed at their meeting held on March 24, 2025, subject to the approval of shareholders through a special resolution to be passed pursuant to section 62(1)(c) of the Companies Act, 2013 at the General Meeting. The shareholders have authorized the Issue by a special resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of the Company held on March 26, 2025.

### **Mode of Payment of Dividend**

The declaration and payment of dividend, if declared, will be as per the provisions of Companies Act, 2013, SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard, the Memorandum and Articles of Association, and recommended by the Board of Directors and approved by 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. For further details, refer to the section “*Dividend Policy*” and “*Main Provisions of Articles of Association*” beginning on page 191 and 315 respectively of this Draft Red Herring Prospectus.

### **Face Value, Issue Price, Floor Price, and Price Band**

The face value of each Equity Share is ₹ 10 and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share and at the higher end of the Price Band is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in all editions of [●] (a widely circulated English National Daily Newspaper), all editions of [●] (a widely circulated Hindi National Daily Newspaper) and editions of [●] Marathi Daily Newspaper (Marathi being regional language of Maharashtra, where our registered office is located) at least two Working Days prior to the Bid/Issue Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their 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 at the website of the Stock Exchange. The Issue Price shall be determined by our Company, in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares issued by way of the Book Building Process.

The Issue Price is determined by our Company in consultation with the Book Running Lead Manager and is justified under the Section titled, ‘*Basis for Issue Price*’, beginning on page 93 of this Draft Red Herring Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Compliance with SEBI (ICDR) Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- Right to receive Issue for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability of the Equity Shares, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum of Association and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation or splitting, please refer to the section titled ‘*Main Provisions of the Articles of Association*’ beginning on page 315 of this Draft Red Herring Prospectus.

### **Allotment only in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be allotted only in dematerialized form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, our Company has entered into the following agreements with the respective Depositories and the Registrar to the Issue:

- Tripartite agreement dated August 30, 2024, amongst our Company, NSDL and Registrar to the Issue;
- Tripartite agreement dated September 23, 2024, amongst our Company, CDSL and Registrar to the Issue;
- The Company’s shares bear an ISIN: INE13KK01010

### **Minimum bid value, market lot and trading lot**

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, 2018 and amendments thereto, our Company shall ensure that the minimum application size shall be two lots per application:

“Provided that the minimum application size shall be above ₹ 2 lakhs.”

The trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see “*Issue Procedure*” on page 277 of This Draft Red Herring Prospectus.

### **Minimum Number of Allottees**

In accordance with Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 200 shareholders. In case the minimum number of prospective allottees is less than 200, no allotment will be made pursuant to this Issue and the monies blocked by the SCSBs shall be unblocked within 2 working days of closure of Issue.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Maharashtra.

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.

## **Joint Holders**

Where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint with benefits of survivorship.

## **Nomination facility to Bidders**

In accordance with Section 72(1) & 72(2) of the Companies Act, 2013, the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72(3) of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance with Section 72(4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of the provisions 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 a transfer of Equity Shares, as the deceased holder could have made.

Further, the Board of Directors 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 ninety days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the Applicant wants to change the nomination, they are requested to inform their respective Depository Participant.

## **Withdrawal of the Issue**

In accordance with the SEBI (ICDR) Regulations, our Company, in consultation with Book Running Lead Manager, reserves the right not to proceed with this issue at any time after the Issue Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company in consultation with BRLM withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-issue and price band advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Offer Document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI ICDR Regulations, Non- Individual Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## Bid/Issue Program

<b>Bid/Issue Opening Date</b>	[●] <sup>(1)</sup>
<b>Bid/Issue Closing Date</b>	[●] <sup>(2)(3)</sup>

Note:

- (1) 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/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI (ICDR) Regulations.
- (2) Our Company, in consultation with the Book Running Lead Manager, may consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI (ICDR) Regulations.
- (3) UPI mandate end time and date shall be at 5:00 pm IST on Bid/Issue Closing Date.

The Anchor Investor Bid/Issue Period will be one Working Day prior to the Bid/Issue Opening Date i.e., [●], in accordance with the SEBI ICDR Regulations.

1. In terms of regulation 265 of SEBI (ICDR) Regulation, 2018, the Issue shall be open after at least three working days from the date of filing the Red Herring Prospectus with the Registrar of Companies.
2. In terms of regulation 266(1) of SEBI (ICDR) Regulation, 2018, except as otherwise provided in these regulations, the public Issue shall be kept open for at least three working days and not more than ten working days.
3. In terms of regulation 266(2) of SEBI (ICDR) Regulation, 2018, in case of a revision in the price band, the issuer shall extend the bidding (issue) period disclosed in the Draft Red Herring Prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation (1) is not applicable to our company as this is fixed price issue.
4. In terms of regulation 266(3) of SEBI (ICDR) Regulation, 2018, In case of force majeure, banking strike or similar circumstances, our company may, for reasons to be recorded in writing, extend the Issue period disclosed in the Draft Red Herring Prospectus, for a minimum period of three working days, subject to the provisions of sub-regulation 266(1).

An indicative timetable in respect of the Issue is set out below:

<b>Event</b>	<b>Indicative Date</b>
Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Refunds / unblocking of funds from ASBA Account*	On or before [●]
Credit of Equity Shares to demat account of the Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

\* In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date for cancelled/withdrawn/deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/withdrawal/deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the SCSB 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. The Bidder shall be compensated in the manner

*specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 read with Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

*The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the remitter bank0073 (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with Master Circular no. SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024.*

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 three Working days of the Bid / Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid / Issue Period by our Company, or any delays in receiving the final listing and trading approval from the Stock Exchange and delay in respect of final certificates from SCSBs. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

SEBI is in the process of streamlining and reducing the post issue timeline for initial public offerings and has through its circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, reduced the time period for listing of shares in public issue from existing 6 days to 3 days. The revised timeline of T+3 days shall be made applicable in two phases i.e., voluntary for all public issues opening on or after September 1, 2023, and mandatory on or after December 1, 2023. Please note that we may need to make appropriate changes in the Red Herring Prospectus and Prospectus depending upon the prevailing date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the issue procedure is subject to change to any revised circulars issued by the SEBI to this effect.

In terms of the UPI Circulars, in relation to the Issue, the BRLM will be required to submit reports of compliance with listing timelines and activities prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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

Due to limitation of time available for uploading the Applications on the Issue Closing Date, the Applicants are advised to submit their Applications one day prior to the Issue Closing Date and, in any case, no later than 5.00 p.m. (IST) on the Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus are Indian Standard Times. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, as is typically experienced in public Issues, some Applications may not get uploaded due to lack of sufficient time. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days. Neither our Company nor the Book Running Lead Manager is liable for any failure in uploading the Applications due to faults in any software/hardware system or otherwise.

The Registrar to the Issue shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/Issue Closing Date by obtaining the same from the Stock Exchange. The SCSB's shall unblock such applications by the closing hours of the Working Day.



In terms of the UPI Circulars, in relation to the Issue, the BRLM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/ Issue Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the bidding (Issue) period disclosed in the Draft Red Herring Prospectus (in case of a book built issue) or the Issue period disclosed in the Prospectus (in case of a fixed price issue), for a minimum period of one working day, subject to the Bid/ Issue Period not exceeding 10 working days.**

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Manager shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Separately, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensated on period
Delayed unblock for cancelled / withdrawn/deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	Instantly revoke the blocked funds other than the original application amount and ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non-Allotted/ partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual Unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLM shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“IST”)) during the Bid / Issue Period (except on the Bid / Issue Closing Date) at the Bidding Centers as mentioned on the Application Form except that:

On the Bid / Issue Closing Date:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Individual Bidders.

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

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

### **Minimum Subscription and Underwriting**

In accordance with Regulation 260 (1) of ICDR Regulations, this Issue is 100% underwritten, so this Issue is not restricted to any minimum subscription level.

As per Section 39 of the Companies Act, 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 Red Herring Prospectus, the Application Amount has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through the Red Herring Prospectus including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received.

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 accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be 100% underwritten. Thus, the underwriting obligations shall be for the entire 100% of the Issue through the Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall be at least two lots and above the value of ₹2.00 Lakhs (Rupees Two Lakhs) per application.

Further, in accordance with Regulation 268 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 200 (Two Hundred).

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

### **Arrangements for Disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI Circular No. *CIR/MRD/DSA/06/2012* dated *February 21, 2012*. However, in terms of Regulation 261(5) of the SEBI ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE.

### **New Financial Instruments**

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue.

## Migration to Main Board

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018 read with SEBI ICDR (Amendment) Regulations, 2025 to the extent applicable, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

As per Regulation 280(2) of the SEBI ICDR Regulations read with SEBI ICDR (Amendment) Regulations, 2025, Where the post-issue paid up capital of the Company listed on the BSE SME is likely to increase beyond twenty-five crore rupees by virtue of any further issue of capital by the Company by way of rights issue, preferential issue, bonus issue etc. the Company shall migrate its equity shares listed on a SME Platform to the Main Board and seek listing of the equity shares proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of equity shares laid down by the Main Board:

Provided that no further issue of capital shall be made unless –

- the shareholders have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters 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;
- the Company has obtained an in principle approval from the Main Board for listing of its entire specified securities on it.

Provided further that where the post-issue paid-up capital pursuant to further issue of capital including by way of rights issue, preferential issue, bonus issue, is likely to increase beyond ₹25 crores, the Company may undertake further issuance of capital without migration from SME exchange to the main board, subject to the undertaking to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to companies listed on the main board of the stock exchange(s).

If the Paid-up Capital of the company is more than ₹10 crores but below ₹25 crores, the company 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 promoters 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.

As per BSE Circular dated November 24, 2023, our Company may migrate its securities from SME Platform of BSE Limited to main board platform of the BSE Limited:

Eligibility Criteria	Details
Paid up capital and market capitalization	Paid-up capital of more than 10 Crores and Market Capitalisation should be minimum ₹ 25 Crores. (Market Capitalisation will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post issue number of equity shares.)
Promoter holding	Promoter(s) shall be holding at least 20% of equity share capital of the company at the time of making application.
Financial Parameters	<ul style="list-style-type: none"> <li>The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediately preceding Financial Year of making the migration application to Exchange</li> <li>The applicant company should have a Net worth of at least ₹ 15 crores for 2 preceding full financial years</li> </ul>
Track record of the company in terms of listing/ regulatory actions, etc	The applicant company is listed on SME Exchange/ Platform having nationwide terminals for atleast 3 years.
Regulatory action	<ul style="list-style-type: none"> <li>No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals.</li> </ul>

	<ul style="list-style-type: none"> <li>• No Debarment of company, promoters/promoter group, subsidiary company by SEBI.</li> <li>• No Disqualification/Debarment of directors of the company by any regulatory authority.</li> </ul> <p>The applicant company has not received any winding up petition admitted by a NCLT</p>
Public Shareholder	The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern.
Other parameters like No. of shareholders, utilization of funds	<ul style="list-style-type: none"> <li>• No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies.</li> <li>• No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies.</li> <li>• The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform.</li> <li>• The applicant company has no pending investor complaints.</li> <li>• Cooling off period of 2 months from the date the security has come out of trade-to-trade category or any other surveillance action.</li> </ul>

*Notes:*

1. Net worth definition to be considered as per definition in SEBI ICDR.
2. Company is required to submit Information Memorandum to the Exchange as prescribed in SEBI (ICDR) Regulations.
3. The application submitted to the Exchange for listing and mere fulfilling the eligibility criteria does not amount to grant of approval for listing.
4. If the documents and clarification received from the applicant company are not to the satisfaction of BSE, BSE has the right to close the application at any point of time without giving any reason thereof. Thereafter, the company can make fresh application as per the extant norms.
5. The Exchange may reject application at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange,

## Market Making

The shares issued through this Issue are proposed to be listed on the SME platform of BSE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on BSE. For further details of the market making arrangement please refer the chapter titled “General Information” beginning on page 57 of this Draft Red Herring Prospectus.

## As per the extent Guideline of the Government of India, OCBs cannot participate in this Issue

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## Restrictions, if any on transfer and transmission of Equity Shares

Except for lock-in of the pre-issue Equity Shares and Promoter’s minimum contribution in the Issue as detailed in the chapter “Capital Structure” beginning on page 68 of this Draft Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the section titled “Main Provisions of Articles of Association” beginning on page 315 of this Draft Red Herring Prospectus.

*Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus.*

**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.

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## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of the Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our post Issue paid up capital is less than Ten Crore Rupees. The Company shall issue specified securities to the public and propose to list the same on the Small and Medium Enterprise Exchange (“**SME Exchange**”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such this Issue, please see the chapters titled “*Terms of the Issue*” and “*Issue Procedure*” beginning on page 260 and 277 respectively, of this Draft Red Herring Prospectus.

### Issue Structure

Initial Public Issue of up to 24,00,000 Equity Shares of face value of ₹ 10 each (“**Equity Shares**”) for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share) (“**Issue Price**”) aggregating up to ₹ [●] lakhs (the “**Issue**”), of which up to [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per equity share including a Share Premium of [●] per Equity Share aggregating to ₹ [●] will be reserved for subscription by Market Maker to the Issue (the “**Market Maker Reservation Portion**”). The Issue less the Market Maker Reservation Portion i.e. Net Issue of [●] Equity Shares of face value of ₹10 each at a price of ₹ [●] per Equity Share aggregating to ₹ [●] is hereinafter referred to as the “**Net Issue**”.

Particulars	Market Maker	QIB's <sup>(1)</sup>	Non-Institutional Bidders	Individual Bidders/ Bidders (who applies for minimum application size)
<b>Number of Equity Shares available for allocation*</b>	Upto [●] Equity Shares	Not more than [●] Equity Shares of face value of ₹10/- each	Not less than [●] Equity Shares of face value of ₹10/- each available for allocation or issue less allocation to QIB Bidders and Individual Investors	Not less than [●] Equity Shares of face value of ₹10/- each available for allocation or issue less allocation to QIB Bidders and Non - Institutional Investors
<b>Percentage of Issue Size available for allocation</b>	[●] % of the Issue Size	<p>Not more than 50% of the Net Issue size shall be available for allocation to QIBs.</p> <p>However, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs</p>	Net issue or the issue less allocation to QIBs and Individual Investors/Bidders was available for allocation. Further, (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs (b) two third of the portion available to noninstitutional investors shall be reserved for applicants with application size of more than ₹10 lakhs, provided that the unsubscribed portion in either the sub-categories mentioned above could be allocated to applicants in the other sub-category of NonInstitutional Bidders.	Not less than 35% of the Net Issue

Particulars	Market Maker	QIB's <sup>(1)</sup>	Non-Institutional Bidders	Individual Bidders/ Bidders (who applies for minimum application size)
<b>Basis of Allotment/ Allocation if respective category is oversubscribed<sup>(2)</sup></b>	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) [●] Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.</p> <p>(c) Upto 60% of the QIB portion (of upto [●] 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 allocation price.</p> <p>For details, see “<i>Issue Procedure</i>” beginning on page 277 of this Draft Red Herring Prospectus.</p>	Subject to the availability of shares in non-institutional investors’ category, the allotment of equity shares to each noninstitutional category shall not be less than the minimum application size in non-institutional investor category, and the remaining shares, if any, shall be allotted on a proportionate basis, the [●] Equity Shares shall be allotted in multiples of [●] Equity Shares. For details “ <i>Issue Procedure</i> ” beginning on page 277 of this Draft Red Herring Prospectus.	Allotment to each Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Individual Investors’ Portion and the remaining available Equity Shares if any, shall be allotted on proportionate basis. For details, see “ <i>Issue Procedure</i> ” beginning on page 277 this Draft Red Herring Prospectus.
<b>Mode of Application<sup>^</sup></b>	Only through ASBA Process.	Only through ASBA Process.	ASBA only except for Anchor Investors	Through ASBA Process, Through Banks or by using UPI ID for payment
<b>Mode of allotment</b>	Compulsorily in dematerialized form			
<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>(3)</sup>			
<b>Minimum Bid Size</b>	[●] Equity Shares of Face	Such number of Equity Shares in multiples of [●] Equity Shares of face	Such number of Equity Shares in multiples of [●] Equity Shares of face value of	Such number of Equity Shares in multiple of [●]

Particulars	Market Maker	QIB's <sup>(1)</sup>	Non-Institutional Bidders	Individual Bidders/ Bidders (who applies for minimum application size)
	Value of ₹ 10.00 each	value of ₹10/- each that the Application size exceeds ₹ 2,00,000	₹10/- each such that the Application size exceeds more than two lots Such number of Equity Shares in multiples of [●] Equity Shares of face value of ₹10/- each that the Application size exceeds ₹ 2,00,000	Equity Shares of face value of ₹10 each that the Application size exceeds ₹2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares of face value of ₹10 each not exceeding the size of the Net Issue (excluding the Anchor Portion), subject to applicable limits to each Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares face value of ₹10 each not exceeding the size of the Net Issue (excluding the QIB portion), subject to limits as applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount shall be above two lots, accordingly, the minimum application size shall be above ₹2.00 Lakhs.
Trading Lot	[●] 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		
Bid Lot	[●] Equity Shares of face value of ₹10/- each and in multiples of [●] Equity Shares of face value of ₹10/- each thereafter.			
Who can Apply (3) (4) (5)	Market Maker	Public financial institutions as defined in the Companies Act, 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the Board, FPIs other than individuals, corporate bodies and family offices, state	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are recategorized as Category II FPIs and registered with SEBI	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares so that the Bid Amount shall be above two lots, accordingly, the minimum application size shal



Particulars	Market Maker	QIB's <sup>(1)</sup>	Non-Institutional Bidders	Individual Bidders/ Bidders (who applies for minimum application size)
		industrial development corporation, insurance company registered with IRDAI, provident funds with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million registered with the Pension Fund Development and Regulatory Authority, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and NBFC-SI		

\*Assuming full subscription in the Issue

^SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, has mandated that ASBA Applications in Public Issues shall be processed only after the application monies are blocked in the investor's bank accounts. Accordingly, Stock Exchange shall, for all categories of Investors viz. QIB, NIB and Individual Bidder and other reserved categories and also for all modes through which the applications are processed, accept the ASBA Applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.

1. Our Company may, in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹200.00 lakhs, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹200.00 lakhs but up to ₹2,500.00 lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹100.00 lakhs per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500.00 lakhs, and an additional 10 Anchor Investors for every additional ₹2,500.00 lakhs or part thereof will be permitted, subject to minimum allotment of ₹100.00 lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹200.00 lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, whose price shall be determined by the Company in consultation with the BRLM.
2. The SEBI ICDR Regulation, 2018 and as amended, permits the issuer of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of Equity Shares in the Non – Institutional investors category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII

of the SEBI (ICDR) Regulations, 2018 and as amended. Not more than 50% of the Net Issue shall be allotted to QIBs, subject to valid Bids being received at or above the Issue Price.

3. In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. 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. The signature of only such 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.
4. Bids by FPIs with certain structures as described under “Issue Procedure – Bids by FPIs” on page 277 and having the 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.
5. Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-in Date as indicated in the CAN.

SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 03, 2025, has prescribed the allocation to each Individual Investors which shall not be less than minimum application size applied by such individual investors and allotment to Non- Institutional Investors shall be more than two lots, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis

Subject to valid Bids being received at or above the Issue 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 combination of categories at the discretion of our Company, in consultation with the Book Running Lead Manager and the Designated Stock Exchange, on a proportionate basis.

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 pursuant to the Issue.

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

The Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE Limited for listing of Equity Shares issued through this Issue on its SME Platform, which the Company shall apply for after Allotment and,
2. In case, the Company wishes to withdraw the Issue after Issue opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.
3. The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-issue and price band advertisements have appeared, and the Stock Exchange will also be informed promptly.
4. If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public issue of Equity Shares, our Company will file a fresh document with the stock exchange where the Equity Shares may be proposed to be listed.

#### **Issue Programme**

<b>Bid/Issue Opening Date</b>	<b>[●]</b>
<b>Bid/Issue Closing Date</b>	<b>[●]</b>

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

Applications and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Bid-Cum Application Form. Standardization of cut-off time for uploading of applications on the Bid/Issue 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 applications received from other than Individual Applicants.
- A standard cut-off time of 5.00 P.M. for uploading of applications received from only Individual Applicants, which may be extended up to such time as deemed fit by BSE after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Manager to BSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Bid-Cum Application form, for a particular applicant, the details as per physical Bid-Cum application form of that Applicant may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays)

#### **Lot Size**

SEBI vide circular no. *CIR/MRD/DSA/06/2012* dated *February 21, 2012* (“Circular”) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

<b>Issue Price (in ₹)</b>	<b>Lot Size (No. of shares)</b>
Up to 14	10,000
More than 14 up to 18	8,000
More than 18 up to 25	6,000
More than 25 up to 35	4,000
More than 35 up to 50	3,000
More than 50 up to 70	2,000
More than 70 up to 90	1,600
More than 90 up to 120	1,200
More than 120 up to 150	1,000
More than 150 up to 180	800
More than 180 up to 250	600
More than 250 up to 350	400
More than 350 up to 500	300
More than 500 up to 600	240
More than 600 up to 750	200
More than 750 up to 1,000	160
Above 1,000	100

Further to the circular, at the Initial Public Offer stage the Registrar to the Issue in consultation with Book Running Lead Manager, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO Lot Size at the application/allotment stage, facilitating secondary market trading.

## ISSUE PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issue, prepared and issued in accordance with the SEBI circular no CIR/CFD/DIL/12/2013 dated October 23, 2013 notified by SEBI and updated pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and updated pursuant to SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 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. The General Information Document is available on the websites of the Stock Exchange and the Book Running Lead Manager. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue. Investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of CAN and Allotment in the Issue; (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 the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

The SEBI ICDR Regulation, 2018 and as amended, permits the issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to NonInstitutional Investors of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of Equity Shares in the Non – Institutional investors category, the allotment to each Non-Institutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) Regulations, 2018 and as amended. Not more than 50% of the Net Issue shall be allotted to QIBs, subject to valid Bids being received at or above the Issue Price.

Further, SEBI through the notification no. SEBI/LAD-NRO/GN/2025/233 - SEBI ICDR (Amendment) Regulations, 2025 dated March 03, 2025, our Company shall ensure that the minimum application size shall be two lots per application:

“Provided that the minimum application size shall be above ₹ 2 lakhs.”

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for Institutional Bidders (Individual Bidders) applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.*

*Subsequently, for applications by Individual Bidders through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and Individual Bidders submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular referencing number SEBI/HO/CFD/DCR2/CIR/P/2019/13 dated November 08, 2019 extended the implementation of UPI Phase II till March 31, 2024. Subsequently vide circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI had continued the applicability of UPI Phase II until further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders (“UPI Phase III”) and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December*

1, 2023. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently SEBI has also vide Master Circular number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024 on Issue of Capital and Disclosure Requirements, consolidated the aforementioned circulars, as currently applicable, including in relation to UPI. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Bidders in initial public offerings whose application sizes are up to ₹5,00,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar. This circular shall come into force for initial public offers opening on/or after May 1, 2022, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022; applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In terms of Regulation 244 (5) and Regulation 271 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Master Circular for Registrars to an Offer and Share Transfer Agents number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and Book Running Lead Manager shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid / Issue Closing Date, the Investor shall be compensated in accordance with applicable law. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with Master Circular number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with Applicable Laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus. Further, our Company and the Syndicate are not liable for any adverse occurrences' consequent to the implementation of the UPI Mechanism for application in this Issue.

Pursuant to circular no. NSDL/CIR/II/28/2023 dated August 8, 2023 issued by NSDL and circular no. CDSL/OPS/RTA/POLCY/2023/161 dated August 8, 2023 issued by CDSL; our Company may request the Depositories to suspend/freeze the ISIN in the depository system till listing/trading effective date. Pursuant to the aforementioned circulars, our Company may request the Depositories to suspend/freeze the ISIN in depository system from or around the date of this Draft Red Herring Prospectus till the listing and commencement of trading of our Equity Shares. The shareholders who intend to transfer the pre-Issue equity shares may request our Company and/ or the Registrar for facilitating transfer of shares under suspended/frozen ISIN by submitting requisite documents to our Company and/ or the Registrar. Our Company and/ or the Registrar would then send the requisite documents along with applicable stamp duty and corporate action charges to the respective depository to execute the transfer of shares under suspended ISIN through corporate action. The transfer request shall be accepted by the Depositories from our Company till one day prior to Bid / Issue Opening Date.

## **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 Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Issue is being made through the Book Building Process, in compliance with Regulation 253 (1) and 253 (2) of the SEBI ICDR Regulation, 2018 and as amended, wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors and the basis of such allocation will be on a discretionary basis by our Company in consultation with the BRLM, of which one-third shall be reserved for the domestic

Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of undersubscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (other than the Anchor Investor Portion). Further, 5% of the Net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, subject to valid Bids being received at or above the Issue Price, and the remainder of the Net 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 Issue 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 QIB Portion for proportionate allocation to QIBs. The SEBI ICDR Regulation, 2018 and as amended, which permits the issue of securities to the public through the Book Building Process, which states that not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size. Not less than 15% of the Net Issue shall be available for allocation to Non-Institutional Investors of which one-third of the NonInstitutional Portion will be available for allocation to Bidders with an application size of more than two lots and up to such lots as equivalent to not more than ₹ 10.00 Lakhs and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹ 10.00 Lakhs and under-subscription in either of these two subcategories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Subject to the availability of Equity Shares in the Non – Institutional investors category, the allotment to each NonInstitutional Investors shall not be less than the minimum application size in Non-Institutional Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI (ICDR) Regulations, 2018 and as amended. Not more than 50% of the Net Issue shall be allotted to QIBs, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue 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 spillover from other categories or a combination of categories.

In accordance with Rule 19(2)(b) of the SCRR, the Issue will constitute at least 25% of the post Issue paid-up Equity Share capital of our Company.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

**Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press releases dated June 25, 2021 and September 17, 2021. Pursuant to the press release dated March 28, 2023, the last date for linking PAN and Aadhaar was extended to June 30, 2023.**

**Bidders 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 the DP ID and the Client ID and the PAN and UPI ID (for UPI Bidders applying through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

#### **Phased Implementation of UPI For Bids by Individual Bidders as per the UPI Circulars**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by Individual Investors 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 Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a) **Phase I:** This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, an Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediaries and use his / her UPI ID for the purpose of blocking funds. The time duration from public Issue closure to listing continued to be six Working Days.

- b) **Phase II:** This phase was 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. SEBI vide its circular bearing number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, this phase was extended till further notice. Under this phase, submission of the ASBA Form without UPI by Individual Bidders through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds was discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continued to be six Working Days (T+6) during this phase.
- c) **Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints in this regard, the relevant SCSB as well as the post – Issue BRLM will be required to compensate the concerned investor.

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. Our Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/or payment instructions of the Individual Bidders using the UPI.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLM, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The processing fees for applications made by Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

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>.

For further details, refer to the "General Information Document" available on the websites of the Stock Exchange and the BRLM.

### ***Electronic registration of Bids***

- a) The Designated Intermediary may register the Bids using the online facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for the Book Building Process on a regular basis before the closure of the Issue.
- b) On the Bid / Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchange and as disclosed in the Red Herring Prospectus.

- c) Only Bids that are uploaded on the Stock Exchange's platform are considered for allocation / Allotment. The Designated Intermediaries are given till 5:00 pm on the Bid / Issue Closing Date to modify select fields uploaded in the Stock Exchange's platform during the Bid / Issue Period after which the Stock Exchange send the bid information to the Registrar to the Issue for further processing.

### **BID CUM APPLICATION FORMS**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, our Registered Office an electronic copy of the Bid cum Application Form will also be available for download on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/ Issue Opening Date. UPI Bidders may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Issue. Anchor Investors are not permitted to participate in this Issue through the ASBA process.

UPI Bidders applying using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and Bid cum Application Forms submitted by UPI Bidders that do not contain the UPI ID are liable to be rejected.

Bidders (other than Anchor Investors and UPI Bidders applying using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Individual Bidders submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to apply using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Individual Bidders with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. UPI Bidders applying using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the applications are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp may be liable for rejection. Bidders using the ASBA process to participate in the Issue must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about the Bid Amounts blocked / unblocked.

ASBA Bidders may submit the ASBA Form in the manner below:

- (i) Individual Bidders (other than the Individual Bidders 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) UPI Bidders 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 not using the UPI Mechanism may submit their ASBA Forms with SCSBs, Syndicate, Sub- Syndicate members, Registered Brokers, RTAs or CDPs.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 read with *Master Circular number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024*, all the ASBA Bids in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchange shall accept the ASBA applications in their electronic bidding platform only with a mandatory confirmation on the application monies blocked. The



circular shall be applicable for all categories of Bidders viz. Individual Investors, QIB and NIB and also for all modes through which the applications are processed.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Bidders, Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	Blue
Anchor Investors	White

\*Excluding Electronic Bid cum Application Form

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank. Stock Exchange shall validate the electronic bids with the records of the CDP for DP ID / Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchange. Stock Exchange shall allow modification of either DP ID / Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis through API integration to enable the Sponsor Bank(s) to initiate UPI Mandate Request to the UPI Bidders, for blocking of funds. The Sponsor Bank(s) shall initiate a request for blocking of funds through NPCI to the UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank accounts. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank(s), NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Issue shall provide the audit trail to the BRLM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – **Designated Intermediaries**)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Individual Investors submitting applications 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 Application Form. It is clarified that Individual Bidders may continue to submit physical ASBA Forms with SCSBs without using the UPI Mechanism.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by Investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, the respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of the stock exchange. Stock exchange shall share application details including the UPI ID with the sponsor bank on a continuous basis, to enable the sponsor bank to initiate mandate requests on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investors. Investor to accept a 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 Red Herring Prospectus and/or Prospectus, without prior or subsequent notice of such changes to the Bidders.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank shall initiate a request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank accounts.

#### **Availability of Abridged 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 Book Running Lead Manager, 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 BSE Limited ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid / Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the Book Running Lead Manager.

#### **WHO CAN BID?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the Draft Red Herring Prospectus for more details.

**Subject to the above, an illustrative list of Bidders is as follows:**

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;

- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

#### **APPLICATIONS NOT TO BE MADE BY:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For 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 should be above ₹ 2,00,000. In case of revision of Applications, the Individual Bidders have to ensure that the Application Price is always above ₹ 2,00,000.

##### **2. For Other than Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **METHOD OF BIDDING PROCESS**

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised all editions of [●] (a widely circulated English National Daily Newspaper), all editions of [●] (a widely circulated Hindi National Daily Newspaper) and editions of [●] Marathi Daily Newspaper (Marathi being the regional language of Maharashtra, where our registered office is located), each with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period may be extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of [●] (a widely circulated English National Daily Newspaper), all editions of [●] (a widely circulated Hindi National Daily Newspaper) and editions of [●] Marathi Daily Newspaper (Marathi being the regional language of Maharashtra, where our registered office is located), each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.
- b) During the Bid/ Issue Period, 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/ Issue 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 Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- 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 Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph **“Buildup of the Book and Revision of Bids”**.
- 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/ Issue Period i.e. one working day prior to the Bid/ Issue 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 **“Issue Procedure”** beginning on page 277 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 finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be.

Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/Issue Period, in accordance with the SEBI ICDR Regulations, provided that (i) the Cap Price will be less than or equal to 120% of the Floor Price, (ii) the Cap Price will be at least 105% of the Floor Price, and (iii) the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. 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) Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. 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 issued to an anchor investor shall not be lower than the price issued to other applicants.

#### **PARTICIPATION BY ASSOCIATES /AFFILIATES OF BRLM AND THE SYNDICATE MEMBERS**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **INFORMATION FOR THE BIDDERS:**

- 1. Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the 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) days before the Issue 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 Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the website of the Stock Exchange.
4. Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY ANCHOR INVESTORS:**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of undersubscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.

- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹ 200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 Lakhs
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹ 200.00 Lakhs, maximum of 2 (two) Anchor Investors.
  - where the allocation under the Anchor Investor Portion is more than ₹ 200.00 Lakhs but upto 2500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of 100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹ 2500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation 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/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- 11) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection 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 Issue through the ASBA process.

#### **BIDS BY HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.



## **BIDS BY MUTUAL FUNDS**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10.00% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10.00% of any company's paid-up share capital carrying voting rights.

## **BIDS BY ELIGIBLE NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non- repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Rules.

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5.00% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5.00% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non- repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10.00% may be raised to 24.00% if a special resolution to that effect is passed by the general body of the Indian company.

Eligible NRIs applying on a repatriation basis are advised to use the Bid cum Application Form meant for non-residents (Blue in colour).

Eligible NRIs applying on non-repatriation basis are advised to use the Bid cum Application Form for residents. (White in colour).

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 314 of the Draft Red Herring Prospectus.

## **BIDS BY FPI INCLUDING FII'S**

In terms of applicable FEMA NDI Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its Bidder group (which means multiple entities registered as foreign portfolio Bidders and directly or indirectly, having common ownership of more than 50% or common control) shall be below 10% of our post Issue Equity Share capital. In case the total holding of an FPI or Bidder group increase beyond 10% of the total paid-up Equity Share capital of our Company, the total investment made by the FPI or Bidder group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the Bidder will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100% under the

automatic route). In terms of the FEMA NDI Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for Issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only if it complies with the following conditions:

- (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and
- (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids and are liable to be rejected:

- FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Bidders and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI FPI Regulations (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of Bidders with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level / sub fund level where a collective investment scheme or fund has multiple investment strategies / sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related Bidders registered as Category I FPIs; and
- Entities registered as collective investment schemes having multiple share classes.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bid using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum

Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected. Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid.

The Bids belonging to any of the above mentioned seven structures and having the same PAN may be collated and identified as a single Bid in the bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

FPIs must ensure that any Bid by a single FPI and/ or an Bidder group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the “**FPI Group**”) shall be below 10% of the total paid-up Equity Share capital of our Company. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs applying through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Issue Equity Share capital shall be liable to be rejected.

Participation of FPIs in the Issue shall be subject to the FEMA NDI Rules.

**There is no reservation for Eligible NRI Bidders, AIFs and FPIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.**

#### **BIDS BY SEBI-REGISTERED AIFS, VCFS AND FVCIS**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, inter alia, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one Investee Company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Issue) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Issue, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

#### **BIDS BY BANKING COMPANIES**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid-up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see “*Key Regulations and Policies*” beginning on page 157 of this Draft Red Herring Prospectus.

## **BIDS BY SCSBS**

SCSBs participating in the Issue are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such accounts shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such accounts for such applications.

## **BIDS BY SYSTEMICALLY IMPORTANT NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the 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 Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on [www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes). For details on designated branches of SCSB collecting the Application Form, please refer to the above-mentioned SEBI link.

## **BIDS BY INSURANCE COMPANIES**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

- a) Equity shares of a company: the lower of 10%\* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) The entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c) The industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

*\*The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

## **BIDS BY PROVIDENT FUNDS/PENSION FUNDS**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500 lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof.

## **BIDS UNDER POWER OF ATTORNEY**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹ 2,500 lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our, in consultation with the BRLM, reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

Our Company, in consultation with the BRLM, in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLM may deem fit.

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer to the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non- Individual Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, 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: — [●]

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 Issue to facilitate collections from the Anchor Investors.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - 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 Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will issue an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off- line electronic registration of applications subject to the condition that they will subsequently upload the off- line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the 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:

Sr. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by 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-Individual Bidders and Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the 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 Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details



with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the website of the Stock Exchange may be made available at the Bidding centers during the Bid/ Issue Period.

#### **Withdrawal of Bids**

- a) Individual Investors can withdraw their Bids until Bid/ Issue Closing Date. In case an Individual Investor wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

#### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price and the Anchor Investor Issue Price.
- b) The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c) Under-subscription in any category (except QIB Category) is allowed to be met with spill over 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. The unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the 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 Book Running Lead Manager, 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 Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20

to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

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

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

### **PRE-ISSUE AND PRICE BAND 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-issue and price band 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-issue and price band advertisement, we shall state the Bid Opening Date and the Bid/ Issue 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 Regulations.

### **SIGNING OF THE UNDERWRITING AGREEMENT AND THE ROC FILING**

- a) Our Company shall enter into an Underwriting Agreement after finalization of Issue Price.
- b) After signing of the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, and underwriting arrangements and will be complete in all material respects.

### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS:**

Our Company will issue 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 Issue 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. Individual Investors can revise their Bids during the Bid/ Issue period and withdraw their Bids until Bid/ Issue 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 Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals.
2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
3. Ensure that you have Bid within the Price Band;

4. Ensure that your Bid is for at least 2 lots of the value of above ₹ 2,00,000 (for Bids by Individual Bidders);
5. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;
6. Ensure that you have mentioned the correct ASBA Account (for all Bidders other than UPI Bidders applying using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his / her own bank account which is linked to such UPI ID and not the bank account of any third party;
7. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;
8. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;
9. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
10. 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;
11. QIBs, Non-Institutional Bidders and the Individual Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, Individual Investors may submit their bid by using UPI mechanism for payment.
12. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
13. 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.
14. Individual Bidders bidding in the Issue to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for Individual Bidders using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;
15. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtained a revised acknowledgment;
16. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form or have otherwise provided an authorization to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of Individual Bidders submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
17. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of

residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

18. Investors to ensure that their PAN is linked with Aadhar and are in compliance with Central Board of Direct Taxes (“CBDT”) notification dated February 13, 2020 and press release dated June 25, 2021.
19. Ensure that the Demographic Details are updated, true and correct in all respects;
20. 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;
21. Ensure that the category and the investor status is indicated;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;
24. Ensure that the Bidder’s depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;
25. Ensure that when applying in the Issue using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure ‘A’ to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;
26. Individual Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which Individual Bidders should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the Individual Bidders ASBA Account;
27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Issue Closing Date;
28. Individual Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an Individual Bidder may be deemed to have verified the attachment containing the application details of the Individual Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;
29. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (Individual Bidders bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in)); and
30. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

31. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
3. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
4. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
5. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
6. Do not submit the Bid for an amount more than funds available in your ASBA account.
7. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
8. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
9. If you are an Individual Bidder and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
11. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
12. Do not submit the General Index Register (GIR) number instead of the PAN;
13. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
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/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
17. Do not submit a Bid using UPI ID, if you are not an Individual Bidder;
18. Do not Bid on another ASBA Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;
19. Do not Bid for Equity Shares in excess of what is specified for each category;
20. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for, exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Individual Bidders can revise or withdraw their Bids on or before the Bid/ Issue Closing Date;
22. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;
23. If you are an Individual Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;
24. Do not Bid if you are an OCB; and
25. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/ Issue Closing Date.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

Further, in case of any pre-issue or post-issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled “*General Information*” and “*Our Management*” beginning on pages 57 and 167 respectively of the Draft Red Herring Prospectus.

For helpline details of the BRLM pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled “*General Information*” beginning on page 57 of the Draft Red Herring Prospectus.

#### **GROUND FOR TECHNICAL REJECTION**

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document. In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids may be rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the Bid cum Application Form;
3. Bids submitted on a plain paper;
4. Bids submitted by Individual Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by Individual Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. Bid cum Application Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by Individual Bidders with Bid Amount of a value of shall be above ₹ 2 lakhs.;

12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by Individual Bidders uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.

Further, in case of any pre-Issue or post-issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” beginning on page 57 of this Draft Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding two Working Days from the Bid/ Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

#### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorized employees of the Designated Stock Exchange, along with the BRLM and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Draft Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Red Herring Prospectus.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.

#### **ALLOTMENT PROCEDURE**

The Allotment of Equity Shares to Bidders other than Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to Draft Red Herring Prospectus. No Individual Investor

will be Allotted less than the minimum Bid Lot subject to availability of shares in Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue.

Flow of Events from the closure of bidding period (T DAY) Till Allotment:

1. On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
2. RTA identifies cases with mismatch of account number as per bid file / Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
3. Third party confirmation of applications to be completed by SCSBs on T+1 day.
4. RTA prepares the list of final rejections and circulates the rejections list with Book Running Lead Manager (s)/ Company for their review/ comments.
5. Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
6. The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
7. The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

Process for generating list of allottees: -

- a) Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then the system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lots of the category and these applications will be allotted the shares in that category.
- b) In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- c) In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- d) On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advise the SCSBs to debit or unblock the respective accounts.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the BSE Limited. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).



For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:

1. Each successful applicant shall be allotted [●] equity shares; and
  2. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
  3. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- a) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] equity shares, results in the actual allotment being higher than the shares issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.
  - b) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
    1. As the Individual Investor category is entitled to more than fifty percent on a proportional basis, the Individual Investors shall be allocated that higher percentage.
    2. The balance net issue of shares to the public shall be made available for allotment to
      - a. Individual applicants other than Individual Investors and
      - b. Other investors, including Corporate Bodies/ Institutions irrespective of the number of shares applied for.
    3. The unsubscribed portion of the net issue to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Individual Investor' means an investor who applies for shares of value of more than ₹ 2,00,000.00. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with BSE Limited.

The Executive Director / Managing Director of BSE Limited – the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **a. For Individual Bidders**

Bids received from the Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Individual Investors shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

**a. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or Red Herring Prospectus / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

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 Issue Price.
- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

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 Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
- Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

**b. 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 Issue 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 Issue 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 Issue 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 Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the BSE Limited (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 issued, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.

**Individual Investor' means an investor who applies for Minimum Application Size (shares of value of above ₹ 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 BSE Limited.**

**The Executive Director / Managing Director of BSE Limited - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.**

#### **ISSUANCE OF ALLOTMENT ADVICE**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.
- 3) The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
- 4) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 (Two) working days of the Issue 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 transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 (Two) working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

#### **INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using a third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites

of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the 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 Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **SUBMISSION OF BID CUM APPLICATION FORM**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **COMMUNICATIONS**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-issue or post issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **DISPOSAL OF APPLICATION AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME platform of BSE where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (Two) working days of the Issue Closing Date, would be ensured; and

3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

#### **BASIS OF ALLOTMENT IN THE EVENT OF OVER SUBSCRIPTION**

Allotment will be made in consultation with BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted [●] equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares.

#### **BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100.00% of the Issue size shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange. The Executive Director/Managing Director of the BSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue. There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

#### **EQUITY SHARES IN DEMATERIALIZED FORM WITH NATIONAL SECURITIES DEPOSITORY LIMITED OR CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED:**

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 August 30, 2024 between National Securities Depository Limited, our Company and Registrar to the Issue; and
- b) Tripartite Agreement September 23, 2024, between Central Depository Services (India) Limited, our Company and Registrar to the Issue.

- c) The Company's equity shares bear an International Securities Identification Number INE13KK01010.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

*"Any person who:*

- a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- c) therwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."*

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10/- Lakhs or 1.00% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10/- lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50/- Lakh or with both.

## **UNDERTAKINGS BY OUR COMPANY**

We undertake the following:

- the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within three Working Days of the Bid/ Issue Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;

- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- no further issue of the Equity Shares shall be made until the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non- listing, under-subscription, etc.
- adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment;
- our Company, in consultation with the BRLM, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Issued Shares, after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue and price band advertisements were published, within two days of the Bid/ Issue Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Issue and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; and
- if our Company, in consultation with the BRLM withdraws the Issue after the Bid/ Issue Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with the SEBI.

## **UTILIZATION OF ISSUE PROCEEDS**

The Board of Directors of our Company certifies that:

1. All monies received out of the Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013.
2. Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized.
3. Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested.
4. Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. The Book Running Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 has prescribed the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government of India has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The regulatory framework, over a period of time, thus, consists of acts, regulations, press notes, press releases, and clarifications among other amendments. The DPIIT (formerly Department of Industrial Policy & Promotion) issued the Consolidated FDI Policy Circular dated October 15, 2020, with effect from October 15, 2020 (the “FDI Circular”), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/ RBI.

As per the FDI Policy, FDI up to 100% of the paid-up share capital of the Company is permitted in companies engaged in the manufacturing sector under the automatic route. For details of the aggregate limit for investments by NRIs and FPIs in our Company, see “*Issue Procedure - Bids by Eligible NRIs and Bids by FPIs*” beginning from page 290 As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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 FDI Policy and the FEMA Non-debt Instruments 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. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for the Issue do not exceed the applicable limits under applicable laws or regulations.

For further details, see “*Issue Procedure*” beginning on page 277 of this Draft Red Herring Prospectus.

## SECTION XI - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

### SCHEDULE I

(Sections 4 and 5)

#### TABLE-F<sup>[2]</sup>

### THE COMPANIES ACT, 2013

#### ARTICLES OF ASSOCIATION

##### OF

#### ARC DISTRIBUTORS (I) LIMITED<sup>[1][3]</sup>

Company Limited by Shares

Indian Non-Government Company

Having Share Capital

#### *Interpretation*

- I. (1) In these regulations-
- (a) <sup>[1][3]</sup> "Company" means **ARC DISTRIBUTORS (I) LIMITED**.
  - (b) "Office" means the Registered Office of the Company.
  - (c) "Act" means the Companies Act, 2013, and any statutory modification thereof.
  - (d) "Directors" means the Directors of the Company and includes persons occupying the position of the Directors by whatever names called.
- (2) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company.
- (3) Subject as hereinafter the Regulations contained in Table F in Schedule I to the Companies Act, 2013 shall apply to the Company and constitutes its Regulations, except in so far they are hereafter expressly or impliedly excluded, modified or varied.
- (4) The Company is a Public Company within the meaning of Section 2(71) of the Companies Act, 2013, and accordingly: -
- (i) it is not a Private Company
  - (ii) has a minimum paid-up share capital as may be prescribed:
- Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles;

#### *Share Capital and Variation of Rights*

- II. (1) The share capital of the Company shall be such amount divided into such number of shares as mentioned in Clause V of Memorandum of Association of the Company with the power to increase and to reduce the capital of the Company and to divide or consolidate the shares in the capital for the time being divided into several classes and to attach thereto respectively such preferential deferred qualified or special rights privileges or conditions as may be determined by or in accordance with the Regulations of the Company. 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 and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued shall be deemed to be fully paid shares.
- (2) Every member shall be entitled without payment to one or more certificates in marketable lots for all the shares of each class or denomination registered in his name or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment unless the conditions of issue thereof otherwise provide or within one month of the receipt of application for registration of transfer transmission sub-division consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such

form as the directors may prescribe or approve provided that in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate provided that if the composition of the Board permits of it at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued indicating the date of issue. Any two or more joint allottees of shares shall for the purpose of this Article be treated as a single member and the certificate of any shares which may be the subject of joint ownership may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled but shall not be bound to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act. A Director may sign a share certificate by affixing his signature thereon by means of any machine equipment or other mechanical means such as engraving in metal or lithography but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine equipment or other material used for the purpose.

(3) (i) If any certificate be worn out defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer then upon production and surrender thereof to the Company a new Certificate may be issued in lieu thereof and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate being given a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide or on payment of such fees (not exceeding Rs.50- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

(ii) Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act 1956 or any other Act or rules applicable in this behalf.

(iii) The provisions of this Article shall mutatis mutandis apply to debentures of the Company)

(a) If any share stands in the names of two or more persons the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings and the transfer of the shares be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.

(b) The Company shall not be bound to register more than three persons as the joint holders of any share. Except as ordered by a Court of competent jurisdiction or as by law required the Company shall not be bound to recognise any equitable contingent future or partial interest in any share or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalment every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

(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) 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. The rate or amount of the commission shall not exceed the rate or amount prescribed in

rules made under subsection (6) of section 40. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

(6) 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. 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. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation.

(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 the Act and these Articles the Board of Directors may issue redeemable preference shares to such persons on such terms and conditions and at such times as Directors think fit either at premium or at par and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par such option being exercisable at such times and for such consideration as the Board thinks fit. The holder of Preference Shares shall have a right to vote only on Resolutions which directly affect the rights attached to his Preference Shares. On the issue of redeemable preference shares under the provisions of Article hereof the following provisions shall take effect no such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption No such Shares shall be redeemed unless they are fully paid Subject to section 55 (2)(d)(i) the premium if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account before the Shares are redeemed where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue there shall out of profits which would otherwise have been available for dividend be transferred to a reserve fund to be called the Capital Redemption Reserve Account a sum equal to the nominal amount of the Shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid up share capital of the Company and Subject to the provisions of Section 55 of the Act the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital. Any debentures debenture-stock or other securities may be issued at a discount premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption surrender drawing allotment of shares attending (but not voting) at the General Meeting appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution. The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder. The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow under Employee Stock Option Scheme (ESOP) or any other scheme if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act the Rules and applicable guidelines made there under by whatever name called. Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country. Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder. The Company may issue shares or other securities in any manner whatsoever including by way of a preferential issue to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of subsection (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished. An application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles be a Member. Subject to the provisions of the Act and these Articles the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which

may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash and if so issued shall be deemed to be fully paid-up or partly paid-up shares as aforesaid. The money (if any) which the Board shall on the allotment of any shares being made by them require or direct to be paid by way of deposit call or otherwise in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly. Every Member or his heirs executors administrators or legal representatives shall pay to the Company the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Company's regulations require on date fixed for the payment thereof. Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm an insolvent person or a person of unsound mind. The Board shall observe the restrictions as regards allotment of shares to the public and as regards return on allotments contained in Sections 39 of the Act.

### ***Lien***

(9) The Company shall have a first and paramount lien upon all the shares debentures (other than fully paid-up shares debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all money's (whether presently payable or not) called or payable at a fixed time in respect of such shares debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares debentures. Unless otherwise agreed the registration of a transfer of shares debentures shall operate as a waiver of the Company's lien if any on such shares debentures. The Directors may at any time declare any shares debentures wholly or in part to be exempt from the provisions of this clause.

(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 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) For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment fulfilment of discharge of such debts liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.

(12) 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. 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 subject to the terms on which any shares may have been issued and subject to the conditions of allotment by a resolution passed at a meeting of the Board and not by a circular resolution make such calls as it thinks fit upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.

(ii) A call may be revoked or postponed at the discretion of the Board.

(iii) A call may be made payable by installments. Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

(14) A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.

(15) Whenever any calls for further share capital are made on shares such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts

have been paid up shall not be deemed to fall under the same class. The Board may from time to time at its discretion extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause which the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.

(16) If any Member fails to pay any call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21 per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the share or byway of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.

(17) On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

(18) (i) (a) The Board may if it thinks fit receive from any Member willing to advance the same all or any part of the amounts of his respective shares beyond the sums actually called up and upon the moneys so paid in advance or upon so much thereof from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend (b) or to participate in profits.

(ii) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company.

### *Transfer of Shares*

(19) (i) The instrument of transfer of any share in or debenture of 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 or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof. The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. The instrument of transfer shall be in a common form approved by the Exchange. The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name address and occupation if any of the transferee has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares Provided that where on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost the Company may register the transfer on such terms as to indemnity as the Board may think fit provided further that nothing in

this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

(20) Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act 1956 the Directors may decline to register(a)any transfer of shares on which the company has a lien. That registration of transfer shall however not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.

(21) If the Company refuses to register the transfer of any share or transmission of any right there in the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission as the case may be and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply. No fee shall be charged for registration of transfer transmission Probate Succession Certificate and letter of administration Certificate of Death or Marriage Power of Attorney or similar other document with the Company.

(22) The Board of Directors shall have power on giving not less than seven days pervious notice in accordance with section 91 and rules made thereunder close the Register of Members and or the Register of debentures holders and or other security holders at such time or times and for such period or periods not exceeding thirty days at a time and not exceeding in the aggregate forty five days at a time and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine. Where an application of transfer relates to partly paid shares the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. For this purpose, the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post speed post courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

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 person recognized by the Company as having any title to his interest in the shares.

ii) Before recognising any executor or administrator or legal representative the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board in its absolute discretion may consider adequate(iii) Nothing in clause (i) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member as a Member. However, provisions of this Article are subject to Sections 72of the Companies Act. Where in case of partly paid Shares an application for registration is made by the transferor the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of Persons having or claiming any equitable right title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right title or interest or be under any liability whatsoever for refusing or nelecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Directors shall so think fit. In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law

of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit. No transfer shall be made to any minor insolvent or person of unsound mind.

### ***Transmission of shares***

(23) Subject to the provisions of the Act and these Articles any person becoming entitled to any share in consequence of the death lunacy bankruptcy insolvency of any member or by any lawful means other than by a transfer in accordance with these presents may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the Transmission Clause.

(24) Subject to the provisions of the Act and these Articles the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

(25) Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

(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.

(27) In case of a One Person Company on the death of the sole member the person nominated by such member shall be the person recognised by the company as having title to all the shares of the member the nominee on becoming entitled to such shares in case of the members death shall be informed of such event by the Board of the company such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable on becoming member such nominee shall nominate any other person with the prior written consent of such person who shall in the event of the death of the member become the member of the company.

### ***Forfeiture of shares***

(28) If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Directors may at any time thereafter during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such Member or on the person (if any) entitled to the shares by transmission requiring him to pay such call or instalment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India for the time being in force.

(29) The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place or places appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited. The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be



paid. The notice shall also state that in the event of the non-payment at or before the time and at the place or places appointed the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

(30) If the requirements of any such notice as aforesaid shall not be complied with every or any share in respect of which such notice has been given may at any time thereafter but before payment of all calls or installments interest and expenses due in respect thereof be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

(31) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. At any time before a sale or disposal as aforesaid the Board may cancel the forfeiture on such terms as it thinks fit.

(32) When any shares have been forfeited notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register of Members. Any shares so forfeited shall be deemed to be the property of the Company and may be sold re-allotted or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board in their absolute discretion shall think fit. Any Member whose shares have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the Company on demand all calls installments interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so. The forfeiture shares shall involve extinction at the time of the forfeiture of all interest in all claims and demand against the Company in respect of the share and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.

(33) A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles 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 shares. The Company may receive the consideration if any given for the share on any sale re-allotment or other disposition thereof and the person to whom such share is sold re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration 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 re-allotment or other disposal of the shares. Upon any sale re-allotment or other disposal under the provisions of the preceding Article the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

(34) In the meantime and until any share so forfeited shall be sold re allotted or otherwise dealt with as aforesaid the forfeiture thereof may at the discretion and by a resolution of the Directors be remitted as a matter of grace and favour and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same or on any other terms which the Director may deem reasonable. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchasers name to be entered in the Register of Members in respect of the Shares sold and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register of Members in respect of such Shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. The Directors may subject to the provisions of the Act accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

#### *Alteration of capital*

(35) The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act. Except so far as otherwise provided by the conditions of issue or by these Presents any capital raised by the creation of new Shares shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment

of calls and instalments forfeiture lien surrender transfer and transmission voting and otherwise. The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia dividends eligibility volume quantum proportion and other terms and conditions as they deem fit subject however to provisions of law rules regulations notifications and enforceable guidelines for the time being in force.

(36) Subject to the provisions of section 61 the company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amount than its existing shares convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum 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.

(37) 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.

(38) The company may by special resolution reduce in any manner and with and subject to any incident authorised and consent required by law its share capital any capital redemption reserve account or any share premium account.

#### *Capitalisation of profits*

(39) (i) The company in general meeting may upon the recommendation of the Board resolve 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 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. 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 paying up any amounts for the time being unpaid on any shares held by such members respectively 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 partly in the way specified in sub-clause.

(A) and partly in that specified in sub-clause

(B) 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 The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

(40) Whenever such a resolution as aforesaid shall have been passed the Board shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any and generally do all acts and things required to give effect thereto. The Board shall have power 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 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 Any agreement made under such authority shall be effective and binding on such members That for the purpose of giving effect to any resolution under the preceding paragraph of this Article the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.

(i) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.

(ii) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.

#### ***Buy-back of shares***

(41) 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***

(42) All general meetings other than annual general meeting shall be called extraordinary general meeting.

(43) (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(ii) If at any time there are not within India sufficient Directors capable of acting to form a quorum or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra- Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

#### ***Proceedings at general meetings***

(44) 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. Save as otherwise provided herein the quorum for the general meetings shall be as provided in section 103.

(45) The chairperson if any of the Board shall preside as Chairperson at every general meeting of the company. No General Meeting Annual or Extraordinary shall be competent to enter upon discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.

(46) The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Vice Chairman of the Company so shall take the chair and preside the meeting. In the absence of the Vice Chairman as well the Directors present may choose one of the Directors among themselves to preside the meeting.

(47) In the case of an equality of votes the Chairman shall both on a show of hands on a poll (if any) and e-voting have casting vote in addition to the vote or votes to which he may be entitled as a Member. Any poll duly demanded on the election of Chairman or Vice Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith. The demand for a poll except on the question of the election of the Chairman or Vice Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

#### ***Adjournment of meeting***

(48) 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. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. 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. 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***

(49) No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands upon a poll or electronically or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which

the Company has exercised any right or lien. Subject to the provision of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company every Member not disqualified by the last preceding Article shall be entitled to be present and to speak and to vote at such meeting and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company Provided however if any preference shareholder is present at any meeting of the Company save as provided in sub-section (2) of Section 47 of the Act he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares. On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not if he votes use all his votes or cast in the same way all the votes he uses. A member of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy or a minor 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. Notwithstanding anything contained in the provisions of the Companies Act 2013 and the Rules made there under the Company may and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time declare to be conducted only by postal ballot shall get any such business resolutions passed by means of postal ballot instead of transacting the business in the General Meeting of the Company.

(50) A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

(51) (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. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

(52) Votes may be given either personally or by attorney or by proxy or in case of a company by a representative duly Authorised as mentioned in Articles A body corporate (whether a company within the meaning of the Act or not) may if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors as it thinks fit in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member creditor or holder of debentures of the Company.

(53) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up shall not be entitled to any voting rights in respect of the moneys paid until the same would but for this payment become presently payable. A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken. Any person entitled under Article 73 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.

(54) No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.

(55) 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. Any such objection made in due time shall be referred to the Chairperson of the meeting whose decision shall be final and conclusive.

### *Proxy*

(56) 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.

(57) An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

(58) 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***

(59) (i) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen.

Provided that a company may appoint more than fifteen directors after passing a special resolution. The following shall be the First Directors of the Company.

(a) Devang C Goradia

(b) Akshat Bhatia

(ii) The first directors shall continue to hold office until their office becomes vacant by resignation removal and death or otherwise in accordance with the provision of the articles. The Board shall have the power to determine the Directors whose period of Office is or is not liable to determination by retirement of Directors by rotation. A retiring Director shall be eligible for reappointment.

(60) 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. The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting such sum as the Board may consider fair compensation for travelling hotel and other incidental expenses properly incurred by him in addition to his fee for attending such meeting as above specified.

(61) The Board may pay all expenses incurred in getting up and registering the company.

(62) 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.

(63) 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.

(64) 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.

(65) A Director of the Company shall not be bound to hold any Qualification Shares in the Company. Subject to the provisions of the Companies Act 2013 and notwithstanding anything to the contrary contained in these Articles the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement. The Nominee Directors so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Directors so appointed. The said Nominee Directors shall be entitled to the same rights and privileges including receiving of notices copies of the minutes sitting fees etc. as any other Director of the Company is entitled. If the Nominee Directors is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to

such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. The Nominee Directors shall notwithstanding anything to the Contrary contained in these Articles be at liberty to disclose any information obtained by him them to the Financial Institution appointing him them as such Directors. The Board may appoint an Alternate Director to act for a Director (hereinafter called The Original Director) during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director. Subject to the provisions of the Act the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting. Subject to the provisions of the Act the Board shall have power at any time and from time to time to appoint a Director if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.

#### ***Proceedings of the Board***

(66) (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

(67) (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.

(68) The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.

(69) (a) The Directors may from time to time elect from among their members a Chairperson of the Board as well as a Vice Chairman of the Board and determine the period for which he is to hold office. If at any meeting of the Board the Chairman is not present within five minutes after the time appointed for holding the same to the Vice Chairman shall preside at the meeting and in the absence of the Vice Chairman as well the Directors present may choose one of the Directors among themselves to preside the meeting.

(b) Subject to Section 203 of the Act and rules made there under one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time.

(70) Subject to the provisions of the Act the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person or purposes but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfilment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the Board. The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.

(71) A committee may elect a Chairperson of its meetings. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.

(72) A committee may meet and adjourn as it thinks fit. 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.

(73) Subject to the provisions of the Act all acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the

appointment of such Director or persons acting as aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles be as valid as if every such person had been duly appointed and was qualified to be a Director.

(74) 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***

(75) 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.

(76) 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***

(77) (a) The Board shall provide a Common Seal for the purposes of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.

(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act for use in any territory district or place outside India. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf and except in the presence of at least 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***

(78) The Company in General Meeting may declare dividends to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act but no dividends shall exceed the amount recommended by the Board of Directors but the Company may declare a smaller dividend in general meeting.

(79) 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.

(80) 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. The Board may also carry forward any profits which it may consider necessary not to divide without setting them aside as a reserve.

(81) 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. 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. 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.

(82) 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.

(83) The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts liabilities or engagements in respect of which the lien exists. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share. 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 dividends as from a particular date such share shall rank for dividend accordingly. The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member or any person under that Article is entitled to transfer until such person becomes a member in respect of such shares or shall duly transfer the same.

No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company. A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer. Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.

(84) (a) 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.

(b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

(85) 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.

(86) No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company.

### *Accounts*

(87) 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. 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*

(88) Subject to the provisions of Chapter XX of the Act and rules made thereunder 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. 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. 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*

(89) Subject to provisions of the Act every Director or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor shall be indemnified by the Company against and it shall be the duty of the Directors to pay out of the funds of the Company all costs charges losses and damages which any such person may incur or become liable to by reason of any contract entered into or act or thing done concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses and in particular and so as not to limit



the generality of the foregoing provisions against all liabilities incurred by him as such Director Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor or in which he is acquitted or in connection with any application under Section 463 of the Act on which relief is granted to him by the Court. Subject to the provisions of the Act no Director Managing Director or other officer of the Company shall be liable for the acts receipts neglects or defaults of any other Directors or Officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy insolvency or tortuous act of any person company or corporation with whom any moneys securities or effects shall be entrusted or deposited or for any loss occasioned by any error of judgment or oversight on his part or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

### ***Others***

#### **(90) Underwriting and Brokerage**

Subject to the provisions of Section 40 (6) of the Act the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard.

Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.

#### **Nomination**

- i. Notwithstanding anything contained in the articles every holder of securities of the Company may at any time nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act 2013 shall apply in respect of such nomination.
- ii. No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules 2014
- iii. The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.
- iv. If the holder(s) of the securities survive(s) nominee then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.

A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided elect either-

- (i) to be registered himself as holder of the security as the case may be or
- (ii) to make such transfer of the security as the case may be as the deceased security holder could have made
- (iii) if the nominee elects to be registered as holder of the security himself as the case may be he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be (iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to if he were the registered holder of the security except that he shall not before being registered as a member in respect of his security be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further 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 or debenture and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends bonuses or other moneys payable or rights accruing in respect of the share or debenture until the requirements of the notice have been complied with.

#### **Dematerialisation of Shares**

Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form.

### **Joint Holder**

Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles.

- (i) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
- (ii) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person
- (iii) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share and
- (iv) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall be deemed to be service on all the holders.

### **Share Warrants**

The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require issue a share warrant.

- (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company and so long as the warrant remains so deposited the depositor shall have the same right of signing a requisition for call in a meeting of the Company and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.
- (ii) Not more than one person shall be recognized as depositor of the Share warrant.
- (iii) The Company shall on two days' written notice return the deposited share warrant to the depositor.
  - (i) Subject as herein otherwise expressly provided no person being a bearer of a share warrant shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company or be entitled to receive any notice from the Company.
  - (ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant and he shall be a Member of the Company.
  - (iii) The Board may from time to time make bye-laws as to terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement loss or destruction.

### **Borrowing Powers**

Subject to the provisions of the Act and these Articles the Board may from time to time at its discretion by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits loans overdrafts cash creditor by issue of bonds debentures or debenture-stock (perpetual or otherwise) or in any other manner or from any person firm company co-operative society anybody corporate bank institution whether incorporated in India or abroad Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received raised or borrowed provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.

Subject to the provisions of the Act and these Articles any bonds debentures debenture-stock or any other securities may be issued at a discount premium or otherwise and with any special privileges and conditions as to redemption surrender allotment of shares appointment of Directors or otherwise provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

The payment and or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by mortgage charge lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being or by a guarantee by any Director Government or third party and the bonds debentures and debenture stocks and other securities may be made assignable free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.

Any bonds debentures debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company the Directors may execute or cause to be executed any mortgage charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

#### **Retirement and Rotation of Directors.**

Subject to the provisions of Section 161 of the Act if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

#### **Powers of the Board**

The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary unless otherwise restricted by the Act or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However, no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the Articles it is hereby declared that the Directors shall have the following powers that is to say

(1) Subject to the provisions of the Act to purchase or otherwise acquire any lands buildings machinery premises property effects assets rights creditors royalties' business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on in any part of India.

(2) Subject to the provisions of the Act to purchase take on lease for any term or terms of years or otherwise acquire any land or lands with or without buildings and out-houses thereon situate in any part of India at such conditions as the Directors may think fit and in any such purchase lease or acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfy.

(3) To erect and construct on the said land or lands buildings houses warehouses and sheds and to alter extend and improve the same to let or lease the property of the company in part or in whole for such rent and subject to such conditions as may be thought advisable to sell such portions of the land or buildings of the Company as may not be required for the company to mortgage the whole or any portion of the property of the company for the purposes of the Company to sell all or any portion of the machinery or stores belonging to the Company.

(4) At their discretion and subject to the provisions of the Act the Directors may pay property rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares bonds debentures or other securities of

the Company and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

(5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings machinery goods stores produce and other moveable property of the Company either separately or co-jointly also to insure all or any portion of the goods produce machinery and other articles imported or exported by the Company and to sell assign surrender or discontinue any policies of assurance effected in pursuance of this power.

(6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit.

(7) To secure the fulfilment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit.

(8) To accept from any member so far as may be permissible by law a surrender of the shares or any part thereof on such terms and conditions as shall be agreed upon.

(9) To appoint any person to accept and hold in trust for the Company property belonging to the Company or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.

(10) To institute conduct defend compound or abandon any legal proceeding by or against the Company or its Officer or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts due and of any claims or demands by or against the Company and to refer any difference to arbitration either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon.

(11) To act on behalf of the Company in all matters relating to bankruptcy insolvency.

(12) To make and give receipts release and give discharge for moneys payable to the Company and for the claims and demands of the Company.

(13) Subject to the provisions of the Act and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act all investments shall be made and held in the Company's own name.

(14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety for the benefit of the Company such mortgage of the Company's property (present or future) as they think fit and any such mortgage may contain a power of sale and other powers provisions covenants and agreements as shall be agreed upon.

(15) To determine from time to time persons who shall be entitled to sign on Company's behalf bills notes receipts acceptances endorsements cheques dividend warrants releases contracts and documents and to give the necessary authority for such purpose whether by way of a resolution of the Board or by way of a power of attorney or otherwise.

(16) To give to any Director Officer or other persons employed by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the company and such commission or share of profits shall be treated as part of the working expenses of the Company.

(17) To give award or allow any bonus pension gratuity or compensation to any employee of the Company or his widow children dependents that may appear just or proper whether such employee his widow children or dependents have or have not a legal claim on the Company.

(18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund or to a Reserve Fund or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing improving extending and maintaining any

of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may in the absolute discretion think conducive to the interests of the Company and subject to Section 179 of the Act to invest the several sums so set aside or so much thereof as may be required to be invested upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds including the depredation fund in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

(19) To appoint and at their discretion remove or suspend such general manager manager secretaries assistants supervisors scientists technicians engineers consultants legal medical or economic advisers research workers labourers clerks agents and servants for permanent temporary or special services as they may from time to time think fit and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause.

(20) At any time and from time to time by power of attorney under the seal of the Company to appoint any person or persons to be the Attorney or attorneys of the Company for such purposes and with such powers authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any Company or the shareholders directors nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretion for the time being vested in them.

(21) Subject to Sections 188 of the Act for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts deeds and things in the name and on behalf of the Company as they may consider expedient.

(22) From time to time to make vary and repeal rules for the regulations of the business of the Company its Officers and employees.

(23) To effect make and enter into on behalf of the Company all transactions agreements and other contracts within the scope of the business of the Company.

(24) To apply for promote and obtain any act charter privilege concession license authorization if any Government State or municipality provisional order or license of any authority for enabling the Company to carry any of this objects into effect or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution or for any other purpose which may seem expedient and to oppose any proceedings or applications which may seem calculated directly or indirectly to prejudice the Company's interests.

(25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents.

(26) To redeem preference shares.

(27) To subscribe incur expenditure or otherwise to assist or to guarantee money to charitable benevolent religious scientific national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company either by reason of locality or operation or of public and general utility or otherwise.

(28) To pay the cost charges and expenses preliminary and incidental to the promotion formation establishment and registration of the Company.

(29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act.

(30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives widows and families or the dependents or connections of such persons by building or contributing to the building of houses dwelling or chawls or by grants of moneys pension gratuities allowances bonus or other payments or by creating and from time to time subscribing or contributing to provide other associations institutions funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation hospitals and dispensaries medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable benevolent religious scientific national or other institutions or object which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of the public and general utility or otherwise.

(31) To purchase or otherwise acquire or obtain license for the use of and to sell exchange or grant license for the use of any trade mark patent invention or technical know-how.

(32) To sell from time to time any Articles materials machinery plants stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture prepare and sell waste and by-products.

(33) From time to time to extend the business and undertaking of the Company by adding altering or enlarging all or any of the buildings factories workshops premises plant and machinery for the time being the property of or in the possession of the Company or by erecting new or additional buildings and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.

(34) To undertake on behalf of the Company any payment of rents and the performance of the covenants conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.

(35) To improve manage develop exchange lease sell resell and repurchase dispose off deal or otherwise turn to account any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.

(36) To let sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.

(37) Generally subject to the provisions of the Act and these Articles to delegate the powers authorities and discretions vested in the Directors to any person(s) firm company or fluctuating body of persons as aforesaid.

(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.

### **Managing and Whole-Time Directors**

a) Subject to the provisions of the Act and of these Articles the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.

b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such reappointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director. The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors and may be by way of fixed salary or commission on profits of the Company or by participation in any such profits or by any or all of these modes.

(1) Subject to control direction and supervision of the Board of Directors the day-today management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of

Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.

(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act such of the powers exercisable under these presents by the Directors as they may think fit and may confer such objects and purposes and upon such terms and conditions and with such restrictions as they think expedient and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke withdraw alter or vary all or any such powers.

(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.

(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.

(5) Notwithstanding anything contained in these Articles the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.

### **Foreign Register**

The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders and the Board may subject to the provisions of the Act make and vary such regulations as it may think fit in regard to the keeping of any such Registers.

### **Documents and Service of Notices.**

Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed.

Save as otherwise expressly provided in the Act a document or proceeding requiring authentication by the company may be signed by a Director the Manager or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company.

### **Secrecy**

Every Director Manager Auditor Treasurer Trustee Member of a Committee Officer Servant Agent Accountant or other person employed in the business of the company shall if so required by the Directors before entering upon his duties sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate.

<sup>[1]</sup> Altered vide Special Resolution passed at the Extra-ordinary General Meeting of the Members of the Company held on 12<sup>th</sup> October, 2011.

<sup>[2]</sup> Adoption of new set of Articles of Association vide Special Resolution passed at the Extra- ordinary General Meeting of the Members of the Company held on 25<sup>th</sup> April, 2024.

<sup>[3]</sup> Altered vide Special Resolution passed at the Extra-ordinary General Meeting of the Members of the Company held on 31<sup>st</sup> July, 2024.

## SECTION XII – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, will be delivered to the Registrar of Companies for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at ARC House, Plot No. 08, Sec. 08, RSC-7, Off Turzon Road, Charkop, Mumbai, Kandivali West, Maharashtra – 400 067, India, from date of filing the Red Herring Prospectus with Registrar of Companies on all Working Days from 10:00 a.m. to 5:00 p.m. until the Bid/Issue Closing Date. Further, copies of these contracts shall also be available for inspection on the website of the Company at <https://www.arc-distributors.com>.

#### A. MATERIAL CONTRACTS

1. Issue Agreement dated April 02, 2025 executed between our Company and Book Running Lead Manager to the Issue.
2. Registrar and Transfer Agent Agreement dated April 02, 2025 executed between our Company, and the Registrar to the Issue.
3. Market Making Agreement dated [●], executed between our Company, Book Running Lead Manager and Market Maker to the Issue.
4. Banker to the Issue Agreement dated [●], executed between our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●], executed between our Company, Book Running Lead Manager and Underwriter.
6. Syndicate Agreement dated [●] executed between our Company, Book Running Lead Manager and Syndicate Member.
7. Tripartite agreement dated August 30, 2024 among the NSDL, our Company and Registrar to the Issue.
8. Tripartite agreement dated September 23, 2024 among the CDSL, our Company and Registrar to the Issue.

#### A. MATERIAL DOCUMENTS

1. Certified true copy of Certificate of Incorporation, Memorandum and Articles of Association of our Company as amended from time to time;
2. Certificate of Incorporation dated April 02, 2008 under the Companies Act, 1956 issued by Registrar of Companies, Maharashtra at Mumbai.
3. Certificate of incorporation dated October 24, 2011 issued under the Companies Act, 2013 issued by Registrar of Companies, Maharashtra at Mumbai, consequent upon change of name from 'ADF Overseas Private Limited' to 'ARC Distributors (I) Private Limited'.
4. Certificate of incorporation dated November 05, 2024 issued under the Companies Act, 2013 issued by Registrar of Companies, Central Processing Centre, consequent to conversion of our Company from a private limited company to a public limited company.
5. The present Issue has been authorized pursuant to a resolution of our Board dated March 24, 2025 and Special Resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the EOGM by the shareholders of our Company held on March 26, 2025.



6. Resolution of the Board of Directors of our Company dated May 07, 2024 approving the Draft Red Herring Prospectus and amendments thereto.
7. Certificate dated April 26, 2025, issued by M/s. R H D B & Co LLP, Chartered Accountants certifying the Key Performance Indicators (KPI) of our Company.
8. Statement of Possible Special Tax Benefits dated April 24, 2025 issued by our Statutory Auditors, M/s. M/s. R H D B & Co LLP, Chartered Accountants.
9. Copies of the Restated Financial Statement of our Company for period ended on December 31, 2024 and financial year ended March 31, 2024, March 31, 2023 and March 31, 2022
10. Copies of Audited Financial Statements of our Company for period ended on December 31, 2024 and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022.
11. Written consent dated April 26, 2025 from M/s. R H D B & Co LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report, dated April 24, 2025 in our Restated Financial Information; and (ii) their report dated April 24, 2025, on the statement of possible special tax benefits included 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.
12. Consents of Promoters, Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers to the Company, Legal Advisor to the Issue, BRLM to the Issue, Registrar to the Issue, Banker to the Issue\*, Market Maker to the Issue\* and Underwriter to the Issue\* to act in their respective capacities.  
\*To be obtained prior to filing of Red Herring Prospectus.
13. Consent letter dated April 17, 2025, from Dun & Bradstreet Information Services India Private Limited to rely on and reproduce part or whole of the industry report titled “Industry Report Industry Report: Jewellery Tools, Dental Tools, and Nutraceutical Industry” and include their name in this Draft Red Herring Prospectus.
14. Consent letter dated May 07, 2025 from Bhavin R Patel & Associates for consent to act as the Chartered Engineer to the Report dated May 07, 2025 for Chartered Engineer’s Report for New Manufacturing Setup at Maharashtra.
15. Chartered Engineer’s Report for New Manufacturing Setup at Maharashtra dated May 07, 2025 from Bhavin R Patel & Associates.
16. Industry report titled “Industry Report Industry Report: Jewellery Tools, Dental Tools, and Nutraceutical Industry” dated April 17, 2024 (the “D&B Report”), prepared and issued by Dun & Bradstreet Information Services India Private Limited, commissioned and paid for by our Company.
17. The Due Diligence Report dated May 01, 2025, by Ashok Patel & Associates., Practicing Company Secretaries having COP number 15326, confirming the secretarial compliances status as included in this Draft Red Herring Prospectus.
18. Board Resolution dated [●] for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
19. Due Diligence Certificate dated May 16, 2025 issued by the Book Running Lead Manager along with the Site Visit Reports dated with respective dated April 03, 2025, April 29, 2025, May 02, 2025 and May 05, 2025.
20. Copy of In-principle approval letter dated [●] from the BSE.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Sd/-

**Devang C. Goradia**

Chairman & Managing Director

DIN: 01951816

**Place:** Mumbai

**Date:** May 16, 2025

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## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Sd/-

**Gaurang C. Goradia**

Whole Time Director

DIN: 02255895

**Place:** Mumbai

**Date:** May 16, 2025

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## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Sd/-

**Vaishali Hitesh Mane**

Non-Executive Director

DIN: 08152077

**Place:** Mumbai

**Date:** May 16, 2025

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## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Sd/-  
**Vaibhav Vishnu Pawar**  
Non-executive Director  
DIN: 03536593

Place: Mumbai  
Date: May 16, 2025

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## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Sd/-

**Sumit Rameshbhai Gosrani**

Independent Director

DIN: 10838216

**Place:** Mumbai

**Date:** May 16, 2025

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## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

Sd/-

**Hiren Mahendra Mehta**

Independent Director

DIN: 07139044

**Place:** Mumbai

**Date:** May 16, 2025

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## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:**

Sd/-

**Pragnesh Ganpat Patel**

Company Secretary and Compliance Officer

**Place:** Mumbai

**Date:** May 16, 2025

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## **DECLARATION**

I hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

Sd/  
**Sanchit Mahesh Sawant**  
Chief Financial Officer

**Place:** Mumbai

**Date:** May 16, 2025

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