



(Please scan the QR code to view the DRHP)

## DRAFT RED HERRING PROSPECTUS

Dated: March 17, 2023

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

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

100% Book Built Issue



PENTAGON

### PENTAGON RUBBER LIMITED

CIN: U25192PB2004PLC054282

Registered Office	Branch Office	Contact Person	Email and Telephone	Website
Gulabgarh Road, Village Behra Dist. S.A.S. Nagar, Derabassi, Mohali, Punjab - 140507, India	Ind floor, 51, Rani Jhansi Road, New Delhi-110055, India	Ms. Shubhi Kishore, Company Secretary & Compliance Officer	<b>Email:</b> <a href="mailto:corporate@pentagonrubber.com">corporate@pentagonrubber.com</a> <b>Tel. No.:</b> +91-9816610646	<a href="http://www.pentagonrubber.com">www.pentagonrubber.com</a>
<b>PROMOTERS OF THE COMPANY</b>				
MR. ASHISH JAIN, MR. ANIL JAIN, MR. SAURABH JAIN AND MR. LALIT JAIN				
<b>DETAILS OF THE ISSUE</b>				
TYPE	FRESH ISSUE	OFFER FOR SALE	ISSUE SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs
Fresh Issue	Up to 23,10,000 Equity Shares aggregating up to [●] Lakhs	Nil	[●] Lakhs	The Issue is being made in terms regulation 229(1) of SEBI (ICDR) Regulations, 2018 as amended. For details in relation to share Reservation among QIBs, NIIs and RIIs, see "Issue Structure" on page 228 of this Draft Red Herring Prospectus.
DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS, AND THEIR COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES				
<b>RISK IN RELATION TO THE FIRST ISSUE</b>				
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 88 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 regional 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.				
<b>GENERAL RISKS</b>				
Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to chapter titled "Risk Factors" beginning on Page No. 25 of this Draft Red Herring Prospectus.				
<b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>				
Our company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the 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.				
<b>LISTING</b>				
The Equity Shares issued through Draft Red Herring Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited (NSE EMERGE) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited ("NSE").				
<b>BOOK RUNNING LEAD MANAGER TO THE ISSUE</b>				
Name and Logo	Contact Person	Email & Telephone		
 <b>Beeline Capital Advisors Private Limited</b>	Mr. Nikhil Shah	<b>Tel No:</b> +91-079-48405357 <b>Email Id:</b> <a href="mailto:mb@beelinemb.com">mb@beelinemb.com</a>		
<b>REGISTRAR TO THE ISSUE</b>				
Name and Logo	Contact Person	Email & Telephone		
 <b>Link Intime India Private Limited</b>	Mr. Shanti Gopalkrishnan	<b>Tel. No.:</b> +91-8108114949 <b>Email:</b> <a href="mailto:pentagonrubber.ip@linkintime.co.in">pentagonrubber.ip@linkintime.co.in</a>		
<b>BID/ISSUE PROGRAMME</b>				
ANCHOR INVESTOR PORTION ISSUE OPENS/CLOSES ON:			[●]*	
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.



PENTAGON

## PENTAGON RUBBER LIMITED

CIN: U25192PB2004PLC054282

Our Company was originally incorporated on April 26, 2004 as “Pentagon Rubber Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Punjab, H.P.& Chandigarh. Subsequently our Company was converted into Public Limited Company and name of company was changed from “Pentagon Rubber Private Limited” to “Pentagon Rubber Limited” vide fresh certificate of incorporation dated December 28, 2022 issued by the Registrar of Companies, Chandigarh. For further details, please refer to chapter titled “History and Corporate Structure” beginning on page 130 of this Draft Red Herring Prospectus.

**Registered Office:** Gulabgarh Road, Village Behra Dist. S.A.S. Nagar, Derabassi, Mohali, Punjab- 140507, India

**Tel. No.:** +91-9816610646, **Email:** [corporate@pentagonrubber.com](mailto:corporate@pentagonrubber.com), **Website:** [www.pentagonrubber.com](http://www.pentagonrubber.com)

**Contact Person:** Ms. Shubhi Kishore, Company Secretary and Compliance Officer.

**OUR PROMOTERS: MR. ASHISH JAIN, MR. ANIL JAIN, MR. SAURABH JAIN AND MR. LALIT JAIN**

## THE ISSUE

INITIAL PUBLIC ISSUE OF UPTO 23,10,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF PENTAGON RUBBER LIMITED (“PENTAGON” OR “OUR COMPANY”) FOR CASH AT A PRICE OF [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF [●] PER EQUITY SHARE) (“ISSUE PRICE”) AGGREGATING TO [●] LAKHS, OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF [●] AGGREGATING TO [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER (“MARKET MAKER RESERVATION PORTION”) AND NET ISSUE TO PUBLIC OF [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF [●] AGGREGATING TO [●] LAKHS (HEREINAFTER REFERRED TO AS THE “NET ISSUE”) THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●] AND [●] RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10.00 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 THE ENGLISH NATIONAL NEWSPAPER I.E. FINANCIAL EXPRESS, ALL EDITIONS OF THE HINDI NATIONAL NEWSPAPER I.E. JANSATTA AND JAIPUR EDITION OF THE REGIONAL NEWSPAPER I.E. BUSINESS REMEDIES, 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 NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”, REFERRED TO AS THE “DESIGNATED STOCK EXCHANGE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.

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 three Working Days, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs 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 of the SEBI ICDR Regulations wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), provided that our Company 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, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All 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, please refer to the chapter titled “Issue Procedure” on page 232 of this Draft Red Herring Prospectus.

## RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- each. The Issue Price, Floor Price or the Price Band 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 active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to chapter titled “Risk Factors” beginning on Page No. 25 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 the 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 the Draft Red Herring Prospectus are proposed to be listed on NSE EMERGE. In terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, our Company has received in-principle approval letter dated [●] from National Stock Exchange of India Limited (“NSE”) for using its name in this Issue document for listing our shares on the SME Platform of NSE. For the purpose of this Issue, the designated Stock Exchange will be National Stock Exchange of India Limited.

## BOOK RUNNING LEAD MANAGER TO THE ISSUE

## REGISTRAR TO THE ISSUE

**BEELINE CAPITAL ADVISORS PRIVATE LIMITED**  
807, Phoenix, Opp. Girish Cold Drinks, Near Vijay Cross Roads, Navrangpura, Ahmedabad -380009, Gujarat.  
**Tel. No.:** +91-79-48405357, 48406357  
**Email:** [mb@beelinemb.com](mailto:mb@beelinemb.com)  
**Website:** [www.beelinemb.com](http://www.beelinemb.com)  
**Investor Grievance Email:** [ig@beelinemb.com](mailto:ig@beelinemb.com)  
**Contact Person:** Mr. Nikhil Shah  
**SEBI Registration No.:** INM000012917

**LINK INTIME INDIA PRIVATE LIMITED**  
C-101, 1 Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai- 400083, Maharashtra, India  
**Tel. No.:** +91-8108114949  
**Fax No.:** +91-022-49186195  
**Email:** [pentagonrubber.ip@linkintime.co.in](mailto:pentagonrubber.ip@linkintime.co.in)  
**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)  
**Investor Grievance Email:** [pentagonrubber.ip@linkintime.co.in](mailto:pentagonrubber.ip@linkintime.co.in)  
**Contact Person:** Shanti Gopalkrishnan  
**SEBI Registration No.:** INR000004058

## BID/ISSUE PROGRAMME

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 Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.

**TABLE OF CONTENTS**

SECTION	CONTENTS	PAGE NO.
<b>I</b>	<b>GENERAL</b>	
	DEFINITIONS AND ABBREVIATIONS	1
	CERTAIN CONVENTIONS;PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	14
	FORWARD LOOKING STATEMENTS	16
<b>II</b>	<b>OFFER DOCUMENT SUMMARY</b>	18
<b>III</b>	<b>RISK FACTORS</b>	25
<b>IV</b>	<b>INTRODUCTION</b>	
	THE ISSUE	44
	SUMMARY OF FINANCIAL INFORMATION	46
<b>V</b>	<b>GENERAL INFORMATION</b>	49
<b>VI</b>	<b>CAPITAL STRUCTURE</b>	60
<b>VII</b>	<b>PARTICULARS OF THE ISSUE</b>	
	OBJECTS OF THE ISSUE	83
	BASIS FOR ISSUE PRICE	88
	STATEMENT OF POSSIBLE TAX BENEFITS	94
<b>VIII</b>	<b>ABOUT THE COMPANY</b>	
	INDUSTRY OVERVIEW	98
	BUSINESS OVERVIEW	110
	KEY REGULATIONS AND POLICIES	122
	HISTORY AND CORPORATE STRUCTURE	130
	OUR MANAGEMENT	134
	OUR PROMOTERS AND PROMOTER GROUP	147
	DIVIDEND POLICY	152
<b>IX</b>	<b>FINANCIAL INFORMATION OF OUR COMPANY</b>	
	RESTATE FINANCIAL STATEMENTS	153
	OTHER FINANCIAL INFORMATION	190
	MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS	191
	CAPITALISATION STATEMENT	198
<b>X</b>	<b>LEGAL AND OTHER INFORMATION</b>	
	OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	199
	GOVERNMENT AND OTHER APPROVALS	205
<b>XI</b>	<b>INFORMATION WITH RESPECT TO GROUP COMPANIES</b>	209
<b>XII</b>	<b>OTHER REGULATORY AND STATUTORY DISCLOSURES</b>	210
<b>XIII</b>	<b>ISSUE RELATED INFORMATION</b>	
	TERMS OF THE ISSUE	221
	ISSUE STRUCTURE	228
	ISSUE PROCEDURE	232
	RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	260
<b>XIV</b>	<b>DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION</b>	262
<b>XV</b>	<b>OTHER INFORMATION</b>	
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	290
	DECLARATION	291

## 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.*

*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 used in of the sections “Industry Overview”, “Key Regulations and Policies”, “Statement of Possible Tax Benefits”, “Restated Financial Statements”, “Basis for Issue Price”, “History and Corporate Structure”, “Other Regulatory and Statutory Disclosures”, “Outstanding Litigations and Material Developments” and “Description of Equity Shares and Terms of the Articles of Association” on pages 98, 122, 94, 153, 88, 130, 210, 199 and 262, respectively, shall have the meaning ascribed to such terms in such sections.*

#### General Terms

Term	Description
“Pentagon”, “the Company”, “our Company” and Pentagon Rubber Limited	Pentagon Rubber Limited (Formerly known as Pentagon Rubber Private Limited), a company incorporated in India under the Companies Act 1956 having its Registered office at Gulabgarh Road, Village Behra Dist. S.A.S. Nagar, Derabassi, Mohali, Punjab- 140507, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Issue

#### Company related terms

Term	Description
AOA / Articles / Articles of Association	Articles of Association of Pentagon Rubber Limited as amended from time to time.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 as amended.
Auditors/ Statutory Auditors/ Peer Review Auditor	The Auditors of Pentagon Rubber Limited being M/s S Jain & Co., Chartered Accountant.
Bankers to the Company	HDFC Bank Limited and Axis Bank Limited
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “Our Management” beginning on page 134 of this Draft Red Herring Prospectus.
Chairman/ Chairperson	The Chairman/ Chairperson of Board of Directors of our Company being Mr. Ashish Jain
CIN	Corporate Identification Number of our Company i.e., U25192PB2004PLC054282
Chief Financial Officer/CFO	The Chief Financial Officer of our Company being Mr. Varun Jain
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Shubhi Kishore
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company.
Group Companies	Companies with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and also other companies as considered material by our Board of the issuer as disclosed in “Information with Respect to Group Companies” on page 209 of this Draft Red Herring Prospectus.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the Listing Regulations.



ISIN	International Securities Identification Number. In this case being INE0ORS01017
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “Our Management” on page 134 of this Draft Red Herring Prospectus.
Key Performance Indicators” or “KPIs”	Key financial and operational performance indicators of our Company, as included in “Basis for Issue Price” beginning on page 88.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on January 16, 2023, in accordance with the requirements of the SEBI (ICDR) Regulations, 2018.
MD or Managing Director	The Managing Director of our Company being Mr. Ashish Jain.
MOA/Memorandum/ Memorandum of Association	Memorandum of Association of Pentagon Rubber Limited as amended from time to time.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013.
Non-Executive Director	A Director not being an Executive Director or an Independent Director
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoter(s)	Shall mean promoters of our Company i.e., Mr. Anil Jain, Mr. Lalit Jain, Mr. Ashish Jain and Mr. Saurabh Jain. For further details, please refer to section titled “Our Promoters and Promoter Group” beginning on page 147 of this Draft Red Herring Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations as enlisted in the section titled “Our Promoter and Promoter Group” beginning on page 147 of this Draft Red Herring Prospectus.
Registered Office	Gulabgarh Road, Village Behra Dist. S.A.S. Nagar, Derabassi, Mohali, Punjab - 140507, India
Restated Financial Information	The restated audited financial information of the Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information for the stub period ended September 30, 2022 and for the years ended March 31, 2022, 2021 and 2020 together with the annexure and notes thereto.
RoC/ Registrar of Companies	Registrar of Companies, Chandigarh
Shareholders	Shareholders of our Company
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited
Stakeholders Relationship Committee	The Stakeholder’s Relationship Committee of our Board constituted in accordance with section 178(5) of the Companies Act, 2013.
Subscriber to MOA/ Initial Promoters	Initial Subscriber to MOA & AOA being Mr. Mr. Anil Jain, Mr. Lalit Jain, Mr. Ashish Jain and Mr. Saurabh Jain.

## ISSUE RELATED TERMS

Terms	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a bidder as proof of registration of the bid.
Allotment/Allot/Allotted	Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue 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 Exchanges





Allottee (s)	The successful bidder to whom the Equity Shares are being / have been issued.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹ 200 Lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/Issue Period or Anchor Investor Bidding Date	The date 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 Investors, and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	<p>The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price.</p> <p>The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager</p>
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/ Issue Closing Date
Anchor Investor Portion	<p>Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.</p> <p>One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations</p>
ASBA Account	A bank account linked with or without UPI ID, maintained with an SCSB and specified in the ASBA Form submitted by the bidders for blocking the bid Amount mentioned in the ASBA Form.
ASBA Bidders	Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid cum Application Form including through UPI mode (as applicable).
ASBA Form	A bid cum application form, whether physical or electronic, used by ASBA bidders, which will be considered as the bid for Allotment in terms of the Draft Red Herring Prospectus.
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “Issue Procedure” on page 232 of this Draft Red Herring Prospectus.
Bid	An indication to make an Issue 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 Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter



Bid/Issue Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, 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 [●] (regional language of Mohali, 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 Exchanges, 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	<p>Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] and editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (regional language of Mohali, where our Registered Office is located).</p>
Bid/ Issue Period	<p>Except in relation to Anchor Investors, 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, other than Anchor Investors.</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 may, 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	<p>Any prospective investor who makes a bid for Equity Shares in terms of this Draft Red Herring Prospectus.</p>
Bidding Centres	<p>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.</p>
Bid Amount	<p>The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus.</p>
Bid cum Application Form	<p>The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus.</p>
Book Building Process	<p>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</p>
BRLM / Book Running Lead Manager	<p>Book Running Lead Manager to the Issue, in this case being Beeline Capital Advisors Private Limited, SEBI Registered Category I Merchant Banker.</p>
Broker Centres	<p>Broker centres notified by the Stock Exchanges where investors can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.</p>
Business Day	<p>Monday to Friday (except public holidays).</p>
CAN or Confirmation of Allocation Note	<p>The Note or advice or intimation sent to each successful bidder indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.</p>



Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted
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.
Demographic Details	The demographic details of the bidders such as their Address, PAN, name of the bidder father/husband, investor status, occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of this Draft Red Herring Prospectus.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form from the ASBA bidder and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where bidder can submit the Bid cum Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where bidder can submit the Bid cum Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	[●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations.
Designated Stock Exchange	National Stock Exchange of India Limited (SME Platform) ("NSE EMERGE")
DP	Depository Participant
DP ID	Depository Participant's Identity Number
Draft Red Herring Prospectus	Draft Red Herring prospectus dated March 17, 2023 issued in accordance with Section 23, 26 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation.
Eligible NRI	A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares.
Emerge Platform of NSE	The EmERGE Platform of NSE for Listing of Equity Shares offered under Chapter IX of SEBI (ICDR) Regulations which was approved by SEBI as an NSE EmERGE on October 14, 2011.
Equity Shares	Equity Shares of our Company of face value Rs. 10.00 each
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 offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.





Eligible NRI(s)	An NRI(s) from such a jurisdiction outside India where it is not unlawful to make an Offer or invitation under this Issue and in relation to whom the Bid cum Application Form and the Prospectus will constitute an invitation to purchase the equity shares.
Escrow Account	Accounts opened with the Banker to the Issue
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ 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 and the Anchor Investor 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 of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Fresh Issue	The Fresh Issue of up to 23,10,000 Equity Shares aggregating up to ₹ [●] Lakhs.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the 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/ Issue / Issue Size/ Public Issue	Initial Public Offering
Issue/ Issue Size/ Initial Public Offer/ Initial Public Offer/ Initial Public Offering/ IPO	The initial public offering of up to 23,10,000 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] Lakhs.
Issue Proceeds	Proceeds to be raised by our Company through this Fresh Issue, for further details please refer chapter titled “Objects of the Issue” page 83 of this Draft Red Herring Prospectus
Issue Price	The Price at which the Equity Shares are being issued/offered by our Company under this Draft Red Herring Prospectus being Rs. [●] per equity share.
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the National Stock Exchange of India Limited.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
Market Maker	[●]
Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of Rs. 10 each at an Issue price of Rs. [●] each aggregating to Rs. [●] Lakhs to be subscribed by Market Maker in this Issue.
MOU / Memorandum of Understanding	Memorandum of Understanding dated February 24, 2023 amongst our Company and the BRLM, pursuant to which certain arrangements are agreed to in relation to the Issue
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue excluding the Market Maker Reservation Portion of [●] Equity Shares of Face Value of ₹ 10.00 each fully paid for cash at a price of ₹ [●] Equity Share aggregating ₹ [●] Lakhs by our Company.
Net Proceeds	The proceeds from the Issue less the Issue related expenses applicable to the Fresh Issue.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non-Institutional Investors / bidder	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
Non-Resident	A person resident outside India, as defined under FEMA Act, 1999 and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI
NSEL/NSE	National Stock Exchange of India Limited



NSE EMERGE	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter IX of the SEBI ICDR Regulations.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Price Band	Price Band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA bidder, on the Designated Date.
Public Issue Account Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Book Running Lead Manager, and the Public Issue Bank/Banker to the Issue for collection of the Application Amounts.
Qualified Foreign Investors / QFIs	Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
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 (s)	Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur.
Refund Bank(s) / Refund Banker(s)	Bank(s) which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Accounts will be opened in case listing of the Equity Shares does not occur, in this case being [●].
Registrar/ Registrar to the Issue /RTA/ RTI	Registrar to the Issue being Link Intime India Private Limited
Registrar Agreement	The agreement dated February 21, 2023 entered into between our Company, and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.



Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/ Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges ,through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
Reserved Category/ Categories	Categories of persons eligible for making bid under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018
Revision Form	The form used by the bidders to modify the quantity of Equity Shares or the bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
Self-Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Exchange	SME Platform of the NSE i.e. NSE EMERGE
Sponsor Bank	Shall mean a Banker to the Issue registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and National Payments Corporation of India in order to push the mandate collect requests and/or payment instructions of the retail investors into the UPI.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the bidders, as proof of registration of the bid.
Underwriters	The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated [●] entered between the Underwriters, BRLM and our Company.
Unified Payments Interface (UPI)	UPI is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two person’s bank accounts using a payment address which uniquely identifies a person’s bank Account.
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI)
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI bid and by way of a SMS directing the RII to such UPI bid) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI bid equivalent to bid Amount and subsequent debit of funds in case of Allotment
UPI mechanism	The bidding mechanism that may be used by an RII to make an bid in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter	As defined under Regulation 2(1)(III) of SEBI (ICDR) Regulations, 2018 which means a person or an issuer who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.



Working Day	<p>In accordance with Regulation 2(1)(mmm) of SEBI ICDR Regulation, working day means all days on which commercial banks in the city as specified in the Draft Red Herring Prospectus are open for business:-</p> <p>However, in respect of announcement of price band and Issue Period, working day shall mean all days, excluding Saturday, Sundays and Public holidays, on which commercial banks in the city as notified in this Prospectus are open for business.</p> <p>In respect to the time period between the Issue closing date and the listing of the specified securities on the stock exchange, working day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holiday in accordance with circular issued by SEBI.</p>
-------------	--

## COMPANY AND INDUSTRY RELATED TERMS

### Technical and Industry Related Terms

Term	Full Form
AS	Australia Standards
BS	British Standard
DIN	Deutsches Institute für Normung (DIN; in English, the German Institute for Standardization)
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
IS	Indian Standards
ISO	International Organization for Standardization
NR	Natural Rubber
RPO	Rubber Process Oil
SABS	South African Bureau of Standards
SBR	Styrene-butadiene rubber
SR	Synthetic rubber
QAP	Quality Assurance Plan
QC	Quality control

## ABBREVIATIONS

Abbreviation	Full Form
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
Amt	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
BBA	Bachelor of Business Administration
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BRLM	Book Running Lead Manager
BSE	BSE Limited



BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
Banking Regulation Act	The Banking Regulation Act, 1949
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Category I Alternate Investment Fund / Category I AIF	AIFs who are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations
Category I Foreign Portfolio Investor(s) / Category I FPIs	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Alternate Investment Fund / Category II AIF	AIFs who are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations
Category II Foreign Portfolio Investor(s) / Category II FPIs	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Alternate Investment Fund / Category III AIF	AIFs who are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations
CA	Chartered Accountant
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CSR	Corporate social responsibility.
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CIBIL	Credit Information Bureau (India) Limited
CST	Central Sales Tax
COVID – 19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CWA/ICWA/CMA	Cost and Works Accountant
CMD	Chairman and Managing Director
Companies Act	Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee’s State Insurance Corporation
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non-Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017



FCNR Account	Foreign Currency Non-Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICAI/ICMAI (Previously known as ICWAI)	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ₹/ Rupees/Rs.	Indian Rupees, the legal currency of the Republic of India
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
i.e	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
Ltd.	Limited
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MoA	Memorandum of Association
NA	Not Applicable
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account

NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRI	Non-Resident Indians
NRE Account	Non-Resident External Account
NRO Account	Non-Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended from time to time
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI (PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations, as amended
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section

SPV	Special Purpose Vehicle
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
UPI	Unified Payments Interface as a payment mechanism through National Payments Corporation of India with Application Supported by Block Amount for applications in public issues by retail individual investors through SCSBs
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds as defined under the SEBI AIF Regulations
VAT	Value Added Tax
w.e.f.	With effect from
WIP	Work in process
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(III) of the SEBI ICDR Regulations
YoY	Year over Year

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

Notwithstanding the foregoing, terms in “Description of Equity Shares and Terms of the Articles of Association”, “Statement of Possible Tax Benefits”, “Industry Overview”, “Key Regulations and Policies”, “Financial Information of our Company”, “Outstanding Litigations and Material Developments” and “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.

## **CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

All references in the Draft Red Herring Prospectus to “India” are to the Republic of India. All references in the Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Red Herring Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Pentagon Rubber Limited”, “Pentagon”, and, unless the context otherwise indicates or implies, refers to Pentagon Rubber 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”. In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

### **Use of Financial Data**

Unless stated otherwise, throughout this Draft Red Herring Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our financial statements prepared and restated for the stub period ended on September 30, 2022 and for the financial year ended on March 31, 2022, 2021 and 2020 on standalone basis in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “Financial Information of our Company” beginning on page 153 of this Draft Red Herring Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

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

Any percentage amounts, as set forth in “Risk Factors”, “Business Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in the Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “Financial Information of our Company” beginning on page 153 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 “Description of Equity Shares and Terms of the Articles of Association”, on page 262 of the 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.

### **Use of Industry & Market Data**

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

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

Although, we believe industry and market data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified by us or the BRLM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In accordance with the SEBI (ICDR) Regulations, the section titled “Basis for Issue Price” on page 88 of the Draft Red Herring Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLM, have independently verified such information.



## **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. We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward-looking statements.

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

1. Destructions in our manufacturing process.
2. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
3. Fail to attract, retain and manage the transition of our management team and other skilled employees;
4. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
5. Ability to respond to technological changes;
6. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
7. Inability to successfully obtain registrations in a timely manner or at all;
8. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
9. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
10. Recession in the market;
11. Changes in laws and regulations relating to the industries in which we operate;
12. Effect of lack of infrastructure facilities on our business;
13. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
14. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
15. Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations.
16. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. The performance of the financial markets in India and globally;
19. Any adverse outcome in the legal proceedings in which we are involved;
20. Our ability to expand our geographical area of operation;
21. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled "Risk Factors"; “Business Overview” & and "Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 25, 110 & 191 respectively of the Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company, our Directors, our Officers, Book Running Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, and the Book Running Lead Manager will ensure that investors in India are informed of material

developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

## SECTION II: OFFER DOCUMENT SUMMARY

### A. PRIMARY DETAIL OF BUSINESS AND INDUSTRY

#### Summary of Business

Our Company is an ISO 9001:2015 and engaged in manufacturing of Rubber Conveyor Belt, Transmission Belts, Rubber Sheets and Elevator Belts. Our products are ever evolving & continually perfected using latest developments in raw materials. Our competence and expertise to Business-to-Business partners in a number of areas. This is carried from our material handling and ore transportation systems across to complete system integration, and we offer our products which meet the quality benchmark of various industries.

*For further details, please refer chapter titled “Business Overview” beginning on Page no. 110 of this Draft Red Herring Prospectus.*

#### Summary of Industry

India is the fourth largest consumer of all rubber globally, next to China, USA & Japan. Per capita consumption of rubber in India currently is at 1.2 Kilograms versus a global average of 3.2 Kilograms. China is at 8 Kilograms (2014) and developed countries are at 13 Kilograms. Growth in natural rubber consumption in India is at 3-4% year over year and that for synthetic rubber at 15-20% since the past 5 years. Rubber belts and hoses will see the fastest gains of any product segment during that span, bolstered by an improving outlook for pricing relative to mechanical goods.

*For further details, please refer chapter titled “Industry Overview” beginning on Page no 98 of this Draft Red Herring Prospectus.*

### B. OUR PROMOTERS

Our company is promoted by Mr. Anil Jain, Mr. Lalit Jain, Mr. Ashish Jain and Mr. Saurabh Jain.

### C. SIZE OF THE ISSUE

Initial Public Issue of upto 23,10,000 Equity Shares of Face Value of ₹10/- each of Pentagon Rubber Limited (“Pentagon” or “Our Company”) for Cash at a Price of [●] Per Equity Share (Including a Share Premium of [●] per Equity Share) (“Issue Price”) aggregating to [●] Lakhs, of which [●] Equity Shares of Face Value of ₹ 10/- each at a price of [●] aggregating to [●] Lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of [●] Equity Shares of Face Value of ₹10/- each at a price of [●] aggregating to [●] Lakhs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute [●] and [●] respectively of the Post Issue paid up Equity Share Capital of Our Company.

### D. OBJECT OF THE ISSUE

The fund requirements for each of the Object of the Issue are stated as below:

S. No	Particulars	Amt. (₹ in Lakhs)
1.	To Meet Working Capital Requirement	[●]
2.	General Corporate Expenses	[●]
3.	Public Issue Expenses	[●]
<b>Gross Issue Proceeds</b>		[●]
<b>Less: Issue Expenses</b>		[●]
<b>Net Issue Proceeds</b>		[●]

### E. PRE-ISSUE SHAREHOLDING OF OUR PROMOTERS AND PROMOTER GROUP AS A PERCENTAGE OF THE PAID-UP SHARE CAPITAL OF THE COMPANY

S. No	Names	Pre- Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
<b>Promoters</b>					
1.	Anil Jain	7,51,275	13.91	7,51,275	[●]
2.	Lalit Jain	17,07,075	31.61	17,07,075	[●]



3.	Ashish Jain	9,00,450	16.68	9,00,450	
4.	Saurabh Jain	15,83,550	29.33	15,83,550	
<b>TOTAL (A)</b>		<b>49,42,350</b>	<b>91.53</b>	<b>49,42,350</b>	[●]
<b>Promoter Group</b>					
1.	Vasudha Jain	92,475	1.71	92,475	[●]
2.	Sumeesh Jain	2,16,000	4.00	2,16,000	[●]
3.	Gaurav Jain	1,49,175	2.76	1,49,175	[●]
<b>TOTAL (B)</b>		<b>4,57,650</b>	<b>8.47</b>	<b>4,57,650</b>	[●]
<b>GRAND TOTAL</b>		<b>54,00,000</b>	<b>100.00</b>	<b>54,00,000</b>	[●]

For further details, refer chapter titled “Capital Structure” beginning on page no. 60 of this Draft Red Herring Prospectus.

#### F. SUMMARY OF RESTATED FINANCIAL STATEMENT

(Rs. in Lakhs)

Particulars	For the period ended September 30, 2022	For the year ended March 31,		
		2022	2021	2020
Share Capital	400.00	400.00	400.00	400.00
Net Worth	695.00	554.43	245.78	135.48
Total Revenue	2105.51	3511.59	2319.69	1939.25
Profit after Tax	140.56	308.66	110.30	93.81
Earnings Per Share	2.60	5.72	2.04	1.74
Net Asset Value Per Share (₹) (Pre Bonus)	17.37	13.86	6.14	3.39
Net Asset Value Per Share (₹) (Post Bonus)	12.87	10.27	4.55	2.51
Total Borrowings	1547.68	1758.61	1649.42	1244.86

For further information, please refer to chapter titled as “Restated Financial Information” on page 153 of this Draft Red Herring Prospectus.

G. There are no material Auditor’s Qualifications which have not been given effect to in the Restated Financial Information.

For further information, please refer to chapter titled as “Restated Financial Information” on page 153 of this Draft Red Herring Prospectus.

#### H. SUMMARY OF OUTSTANDING LITIGATION ARE AS FOLLOWS:

##### Cases against our Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	4	4.89
Other Litigation	1	3.00

##### Cases filed by our Company

Nature of Cases	No of Outstanding Cases	Amount involved (In Lakhs)
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	3	21.03

For further information, please refer chapter titled “Outstanding Litigations and Material Developments” on page no 199 of this Draft Red Herring Prospectus.

I. Investors should read chapter titled “Risk Factors” beginning on page no. 25 of this Draft Red Herring Prospectus to get a more informed view before making any investment decisions.

**J. SUMMARY OF CONTINGENT LIABILITIES**

Particulars	As at	As at 31st March		
	30.09.2022	2022	2021	2020
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	243.02	283.06	263.03	41.96
2. Capital Commitment	-	-	-	-
3. Income Tax Demand	-	-	-	-
4. TDS Demands	-	-	-	-
5. ESIC Demand	-	-	-	-
<b>Total</b>	<b>243.02</b>	<b>283.06</b>	<b>263.03</b>	<b>41.96</b>

For Further details, please refer chapter titled “Restated Financial Statements” beginning on page no. 153 of this Draft Red Herring Prospectus.

**K. SUMMARY OF RELATED PARTY TRANSACTIONS**

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

List of Related Parties and Nature of Relationship:

Particulars	Name of Related Parties
a) Key Management Personnel's	Anil Jain
	Ashish Jain
	Lalit Jain
	Saurabh Jain
b) Relatives of Key Management Personnel	Amita Jain
	Sumeesh Jain
	Ekta Jain
	Simmi Jain
	Gaurav Jain
	Tarsem Kumar Jain
	Kamal Prabha Jain
	Kanav Jain
	Kaushal Jain
	Ruchika Jain
	Subhash Chand jain
	Tanvi Jain
	Tushar Jain
	Vasudha Jain
	Sarthak Jain
	Anil Kumar Jain (HUF)
	Lalit Jain (HUF)
	Subhash chand jain HUF
	Sumeesh Jain Huf
Vasudha Jain	

**Restated Statement of related party transaction**

Nature of Transactions	Name of Related Parties		As at March 31		
		30.09.2022	2022	2021	2020
<b>1. Directors Remuneration</b>	Anil Jain	4.50	9.00	9.00	9.00
	Ashish Jain	12.00	24.00	24.00	24.00
	Saurabh Jain	6.00	12.00	12.00	12.00
<b>Total</b>		<b>22.50</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>
<b>2. Unsecured Loan</b>	<b>Anil Jain</b>				





Opening Balance	102.75	91.25	91.25	91.25
Add: Loan Received During the Year	27.73	11.50		-
Less: Load Repaid During the year				-
Closing Balance	<b>130.48</b>	<b>102.75</b>	<b>91.25</b>	<b>91.25</b>
<b>Ashish Jain</b>				
Opening Balance	60.05	10.05	10.05	<b>10.05</b>
Add: Loan Received During the Year	4.3	50.00		
Less: Load Repaid During the year				
Closing Balance	<b>64.35</b>	<b>60.05</b>	<b>10.05</b>	<b>10.05</b>
<b>Saurabh Jain</b>				
Opening Balance	6.50	6.50	6.50	<b>6.50</b>
Add: Loan Received During the Year	20.84			-
Less: Load Repaid During the year		-		
Closing Balance	<b>27.34</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>
<b>Lalit Jain</b>				
Opening Balance	59.75	59.75	59.75	<b>59.75</b>
Add: Loan Received During the Year	3.49			-
Less: Load Repaid During the year	40.61	-		
Closing Balance	<b>22.63</b>	<b>59.75</b>	<b>59.75</b>	<b>59.75</b>
<b>Amita Jain</b>				
Opening Balance	61.25	29.75	29.75	<b>29.75</b>
Add: Loan Received During the Year		31.50		-
Less: Load Repaid During the year		-		
Closing Balance	<b>61.25</b>	<b>61.25</b>	<b>29.75</b>	<b>29.75</b>
<b>Sumeesh Jain</b>				
Opening Balance	29.70	29.70	29.70	<b>29.70</b>
Add: Loan Received During the Year				-
Less: Load Repaid During the year		-		
Closing Balance	<b>29.70</b>	<b>29.70</b>	<b>29.70</b>	<b>29.70</b>
<b>Ekta Jain</b>				
Opening Balance	2.30	2.30	2.30	<b>2.30</b>
Add: Loan Received During the Year				-
Less: Load Repaid During the year		-		
Closing Balance	<b>2.30</b>	<b>2.30</b>	<b>2.30</b>	<b>2.30</b>
<b>Simmi Jain</b>				
Opening Balance	1.65	1.65	1.65	<b>1.65</b>
Add: Loan Received During the Year				-
Less: Load Repaid During the year		-		
Closing Balance	<b>1.65</b>	<b>1.65</b>	<b>1.65</b>	<b>1.65</b>
<b>Gaurav Jain</b>				
Opening Balance	33.40	7.40	7.40	<b>7.40</b>
Add: Loan Received During the Year		26.00		-
Less: Load Repaid During the year		-		
Closing Balance	<b>33.40</b>	<b>33.40</b>	<b>7.40</b>	<b>7.40</b>



<b>Tarsem Kumar Jain</b>					
Opening Balance	408.25	408.25	408.25	<b>408.25</b>	
Add: Loan Received During the Year				-	
Less: Load Repaid During the year	142.82	-			
Closing Balance	<b>265.43</b>	<b>408.25</b>	<b>408.25</b>	<b>408.25</b>	
<b>Kamal Prabha Jain</b>					
Opening Balance	23.95	23.95	23.95	<b>23.95</b>	
Add: Loan Received During the Year	50.2			-	
Less: Load Repaid During the year		-			
Closing Balance	<b>74.15</b>	<b>23.95</b>	<b>23.95</b>	<b>23.95</b>	
<b>Kanav Jain</b>					
Opening Balance	1.10	1.10	1.10	<b>1.10</b>	
Add: Loan Received During the Year				-	
Less: Load Repaid During the year		-			
Closing Balance	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>	
<b>Kaushal Jain</b>					
Opening Balance	4.20	4.20	4.20	<b>4.20</b>	
Add: Loan Received During the Year				-	
Less: Load Repaid During the year		-			
Closing Balance	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>	
<b>Ruchika Jain</b>					
Opening Balance	3.70	3.70	3.70	<b>3.70</b>	
Add: Loan Received During the Year				-	
Less: Load Repaid During the year		-			
Closing Balance	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	
<b>Subhash Chand Jain</b>					
Opening Balance	21.70	71.70	21.70	<b>21.70</b>	
Add: Loan Received During the Year	0.13		50.00	-	
Less: Load Repaid During the year		50.00			
Closing Balance	<b>21.83</b>	<b>21.70</b>	<b>71.70</b>	<b>21.70</b>	
<b>Tanvi Jain</b>					
Opening Balance	7.35	7.35	7.35	<b>7.35</b>	
Add: Loan Received During the Year				-	
Less: Load Repaid During the year		-			
Closing Balance	<b>7.35</b>	<b>7.35</b>	<b>7.35</b>	<b>7.35</b>	
<b>Tushar Jain</b>					
Opening Balance	15.45	15.45	15.45	<b>15.45</b>	
Add: Loan Received During the Year				-	
Less: Load Repaid During the year		-			
Closing Balance	<b>15.45</b>	<b>15.45</b>	<b>15.45</b>	<b>15.45</b>	
<b>Vasudha Jain</b>					
Opening Balance	3.85	3.85	3.85	<b>3.85</b>	
Add: Loan Received During the Year				-	

	Less: Load Repaid During the year		-		
	Closing Balance	<b>3.85</b>	<b>3.85</b>	<b>3.85</b>	<b>3.85</b>
	<b>Sarthak Jain</b>				
	Opening Balance	0.90	0.90	0.90	<b>0.90</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>0.90</b>	<b>0.90</b>	<b>0.90</b>	<b>0.90</b>
	<b>Anil Kumar Jain (HUF)</b>				
	Opening Balance	6.60	6.60	6.60	<b>6.60</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>6.60</b>	<b>6.60</b>	<b>6.60</b>	<b>6.60</b>
	<b>Lalit Jain (HUF)</b>				
	Opening Balance	3.35	3.35	3.35	<b>3.35</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>3.35</b>	<b>3.35</b>	<b>3.35</b>	<b>3.35</b>
	<b>Subhash Chand Jain (HUF)</b>				
	Opening Balance	5.90	5.90	5.90	<b>5.90</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>5.90</b>	<b>5.90</b>	<b>5.90</b>	<b>5.90</b>
	<b>Sumeesh Jain (HUF)</b>				
	Opening Balance	3.30	3.30	3.30	<b>3.30</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>3.30</b>	<b>3.30</b>	<b>3.30</b>	<b>3.30</b>

For details of Restated related party transaction, please refer chapter titled “Restated Financial Statements” beginning on page no. 153 of this Draft Red Herring Prospectus.

**L.** There are no financing arrangements whereby the Promoter Group, the Directors of our Company who are the Promoters of our Company, the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company during the period of 6 (six) months immediately preceding the date of this Draft Red Herring Prospectus.

**M.** The weighted average price of acquisition of Equity Shares by our Promoters in last one year is:

Except Bonus Issue of Shares, our Promoters has not acquired Equity Shares in last year. For further details, refer chapter titled “Capital Structure” beginning on page no. 60 of this Draft Red Herring Prospectus.

**N.** The average cost of acquisition of Equity Shares by our Promoters is:

Name of the Promoters	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Anil Jain	7,51,275	2.10
Lalit Jain	17,07,075	1.55
Ashish Jain	9,00,450	2.46
Saurabh Jain	15,83,550	1.72

\*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each. The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire, by

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

- O.** Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.
- P.** Except Bonus Issue of Shares as disclosed in chapter titled “Capital Structure” beginning on Page 60 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Draft Red Herring Prospectus
- Q.** Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.
- R.** As on date of the Draft Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

### **SECTION III - RISK FACTORS**

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with "Business Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 110 and 191, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. 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.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment 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. Before making an investment decision, investors must rely on their own examination of the Issue and us.*

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

*In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" on page 25 and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 191 respectively of this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of the Company" prepared in accordance with the Indian Accounting Standards.*

#### **Materiality**

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

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

#### **INTERNAL RISK FACTORS**

1. ***We have not received details in respect interest in other companies and entities from some of our Promoter Group Members, hence the information disclosed in chapter titled "Our Promoters and Promoter Group" is limited to information provided by company.***

As per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Mrs. Ekta Jain, Mr. K L Jain, Mrs. Ashok Jain, Mr. Raghav Jain, Mrs. Ashma Jain, Mrs. Sulaxan Jain, Mrs. Alpa Jain, Mrs. Nehal Jain, Mr. Raj Kumar Jain, Mrs. Trishla Jain, Mr. Deepak Jain, Mr. Amit Jain, Mrs. Simmi Jain, Mrs. Vimmi Jain, Ms. Shilpa Jain, Mr. Sushil Kumar Jain, Mrs. Parveen Jain, Mr. Abhinandan Jain, Mrs. Simmi Jain, Mrs. Aruna Jain, Mrs. Anuradha Jain, Mr. Anurag Jain, Mrs. Priya Jain are immediate relative of our Promoters and forming part of Promoter Group Member. Accordingly, as per regulation 2(1)(pp) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 the immediate relative of Promoters and their interest in other entities form part of Promoter Group.

Our Company is unable to get the information in respect of their interest in other entities, hence the Mrs. Ekta Jain, Mr. K L Jain, Mrs. Ashok Jain, Mr. Raghav Jain, Mrs. Ashma Jain, Mrs. Sulaxan Jain, Mrs. Alpa Jain, Mrs. Nehal Jain, Mr. Raj Kumar Jain, Mrs. Trishla Jain, Mr. Deepak Jain, Mr. Amit Jain, Mrs. Simmi Jain, Mrs. Vimmi Jain, Ms. Shilpa Jain, Mr. Sushil Kumar Jain, Mrs. Parveen Jain, Mr. Abhinandan Jain, Mrs. Simmi Jain, Mrs. Aruna Jain, Mrs. Anuradha Jain, Mr. Anurag Jain, Mrs. Priya Jain and their related companies and entities are not classified as person forming part of Promoter Group of our company as per regulation 2(1)(pp) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

For further details, please refer to chapter titled as “Our Promoters and Promoter Group” on page 147 of this Draft Red Herring Prospectus.

***2. Intense competition in the market of conveyor Rubber Belting Industry could affect our pricing, which could reduce our share of business from clients and decrease our revenues and profitability.***

We operate in a competitive industry that experiences rapid technological developments, and changes in customer requirements. Our competitors include the big and mid-sized competitors in the various geographic markets.

We may face competition from companies that grow in size or scope as the result of strategic mergers or acquisitions, which may result in larger competitors with significant resources that benefit from economies of scale and scope. Such events could have a variety of negative effects on our competitive position and our financial results, including reducing our revenue, increasing our costs, and lowering our gross margin percentage.

If our competitors develop and implement methodologies that yield greater efficiency and productivity, they may be able to produce products similar to ours at lower prices without adversely affecting their profit margins. Even if our offerings address industry and client needs, our competitors may be more successful at selling their products. If we are unable to provide our clients with superior products at competitive prices or successfully market those products to current and prospective clients, our business, results of operations and financial condition may suffer.

For further details of our Business, please refer to chapter titled “Business Overview” beginning on page 110 of this Draft Red Herring Prospectus.

***3. We do not have long-term agreements with most of our suppliers or customers and the loss of one or more of them or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.***

The primary raw materials used for our manufacturing process are purchased from third parties. We typically do not enter into long-term supply contracts with any of our suppliers with respect to our raw material requirements and typically place orders with them in advance of our anticipated requirements. We believe that efficient inventory management is a key component of the success of our business, results of operations and profitability and to that end we maintain a reasonable level of inventory of raw materials, work in progress and finished goods at our manufacturing facility. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast due to inter alia the domestic scale of our operations and demand for our products, could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all.

We typically do not enter into long-term agreements with most of our customers. Our relationship with our customers is generally on a non-exclusive basis and accordingly, our customers may choose to cease sourcing our products and choose to source alternative options. Therefore, we cannot assure that we will receive repeat orders from our customers in the future. Additionally, our customers have high and stringent standards for product quantity and quality as well as delivery schedules. Any failure to meet our customers’ expectations and specifications could result in the cancellation of contracts and loss of revenue.

***4. 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. The approvals, licenses, registrations and permits obtained by us may contain conditions. Further we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or need to update pursuant to change in name and conversion of company from private to public Company.



While 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 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 penalty. For further details regarding the material approvals, licenses, registrations and permits, see “Government and Other Approvals” on page 205 of this Draft Red Herring Prospectus.

Furthermore, we cannot assure you 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 has been or may be issued to us may affect our business and results of operations.

**5. *There are outstanding legal proceedings involving our Company. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.***

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities.

We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. A summary of the pending proceedings involving the Company is provided below:

**Cases against our Company**

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Lakhs)</b>
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	4	4.89
Other Litigation	1	3.00

**Cases filed by our Company**

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Lakhs)</b>
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Taxation Matters	--	--
Other Litigation	3	21.03

For further details of legal proceedings involving the Company, please see “Outstanding Litigations and Material Developments” beginning on page 199 of this Draft Red Herring Prospectus

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

Our top ten customers have contributed 83.00%, 72.55%, 64.50% & 57.52% of our revenues for the period ended September 30, 2022 and year ended March 31, 2022, March 31, 2021, March 31, 2020 respectively based on Restated Financial Statements. However, our top customers may vary from period to period depending on the demand and thus the composition and revenue generated from these customers might change as we continue to add new customers in normal course of business. Since our business is concentrated among relatively few significant customers, we could experience a reduction in our results of operations, cash flows and liquidity if we lose one or more of these customers or the amount of business, we obtain from them is reduced for any reason, including but not limited on account of any dispute or disqualification.

Accordingly, we cannot assure you that the customers which contribute to the major part of our revenue stream will pay us the amounts due to us on time, or at all. In the event any of our significant customers fail to fulfil their respective obligations, our business, financial condition and results of operations would be adversely affected. While we believe we have maintained good

and long-term relationships with our customers, there can be no assurance that we will continue to have such long term relationship with them. We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

***7. Our top ten suppliers contribute majority of our purchases. Any loss of business with one or more of them may adversely affect our business operations and profitability.***

Our top ten suppliers contributed approximately 81.00%, 72.96%, 78.72% & 86.74% of our total purchases for the period ended September 30, 2022 and year ended March 31, 2022, March 31, 2021, March 31, 2020 respectively based on Restated Financial Statements. However, our top suppliers may vary from period to period depending on the demand-supply mechanism and thus the supply process from these suppliers might change as we continue to seek more cost effective suppliers in normal course of business. Since our business is concentrated among relatively few significant suppliers, we could experience a reduction in our purchases and business operations if we lose one or more of these suppliers, including but not limited on account of any dispute or disqualification.

While we believe we have maintained good and long term relationships with our other suppliers too, there can be no assurance that we will continue to have such long term relationship with them. We cannot assure that we shall do the same quantum of business, or any business at all, with these customers, and loss of business with one or more of them may adversely affect our purchases and business operations.

***8. Our manufacturing activities are dependent upon availability of skilled and unskilled labours.***

Our manufacturing activities are dependent on availability of skilled and unskilled labour. Non-availability of labour at any time or any disputes with them may affect our production schedule and timely delivery of our products to customers.

Further, we spend significant time and resources in training the manpower we hire. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. High attrition and competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure you that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects.

For further details of our Business, please refer to chapter titled “Business Overview” beginning on page 110 of this Draft Red Herring Prospectus.

***9. Our failure to adapt to technological developments or industry trends could affect the performance and features of our products, and reduce our attractiveness to our customers.***

As our operations grow in scope and size, whether through offering of new products or expansion into new markets, we must continuously improve, upgrade, adapt and expand our systems and infrastructure to offer our customers enhanced products, features and functionality ahead of rapidly evolving customer demands, while maintaining the reliability and integrity of our systems and infrastructure in a cost-efficient and competitive manner. The systems, infrastructure and technologies we currently employ may become obsolete or be unable to support our increased size and scale. Even if we are able to maintain, upgrade or replace our existing systems or innovate or customize and develop new technologies and systems, we may not be as quick or efficient as our competitors in upgrading or replacing our systems. We may be unable to devote adequate financial resources or obtain sufficient financing on commercially acceptable terms in time, or at all, which may have a material adverse effect on our business, prospects, results of operation and financial condition. For further details regarding our business, please refer to chapter titled “Business Overview” beginning on Page 110 of this Draft Red Herring Prospectus.

***10. Any slowdown or shutdown in our manufacturing operations, or under-utilization at our manufacturing facilities, including due to labour unrest, or any inability to obtain adequate electricity & fuel with respect to such operations, could have an adverse effect on our business, results of operations, financial condition and cash flows.***

We manufacture our products at our manufacturing facility situated at Mohali, Punjab. Our business is dependent upon our ability to manage the manufacturing facility, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents, severe weather conditions, natural disasters and changes in the policies in the state.

Inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations, financial condition and cash flows.

For further details of our Business, please refer to chapter titled “Business Overview” beginning on page 110 of this Draft Red Herring Prospectus.

***11. We have a substantial amount of outstanding indebtedness, which requires significant cash flows to service and are subject to certain conditions and restrictions in terms of our financing arrangements, which restricts our ability to conduct our business and operations in the manner we desire.***

As of September 30, 2022, our long term borrowings were ₹ 829.20 Lacs & short term borrowings were ₹ 718.48 Lacs and we will continue to incur additional indebtedness in the future. Our level of indebtedness has important consequences to us, such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our ability to borrow additional amounts in the future;
- affecting our capital adequacy requirements; and
- Increasing our finance costs.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Also we have not yet received NOC and Consent from our Bankers to the Company. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts when they fall due. For further details of our Company’s borrowings, see “Financial Information of our Company” on page 110 of this Draft Red Herring Prospectus.

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

Our branch office is situated at II<sup>nd</sup> Floor, 51, Rani Jhansi Road, New Delhi-110055, India and the same is not owned by us. We have obtained this property on leave and license basis through Leave and License Agreement dated October 20, 2022 starting from November 01, 2022 for a period of 11 months. Any termination of the lease in connection with this property or our failure to renew the same, in a timely manner or at all could adversely affect our operations.

For details regarding properties taken on lease refer the Section titled —Properties – “Business Overview” beginning on page no. 110 of this Draft Red Herring Prospectus.

***13. There are certain discrepancies and non-compliances noticed in some of our corporate records relating to forms filed with the Registrar of Companies and taxation authorities.***

In the past, there have been some instances of delays in filing statutory forms with the RoC such as ADT-1 & DPT-3 was filed under the CFSS Scheme, 2020 of MCA without any penalty. In addition to above, our Company has inadvertently filed some incorrect Annual Returns with respect to the shareholding records and transfer details. Also our company has made delayed deposit of EPF and we have delayed in filing our GST returns with the concerned offices of the Goods and Service Tax departments on several instances and have accordingly been subjected to penalty and charged with interest for delayed deposit of tax on various instances.

Although no show cause notice have been issued against our Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

Further with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

***14. 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 significantly. 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 cost effective manufacturing, and customer satisfaction;
- recruiting, training and retaining sufficient skilled management and technical personnel for our service process;
- developing and improving our internal administrative infrastructure, particularly our financial, 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 clients' expectations;
- strengthening internal control and ensuring compliance with legal and contractual obligations;
- Managing relationships with customers, suppliers and lenders.

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.

***15. The unsecured loan availed by our Company from Banks, Director and Promoter group may be recalled at any given point of time.***

Our Company has been availing unsecured loans from Banks, Directors and their relatives from time to time. The total outstanding payable to them as on September 30, 2022 amounts to Rs. 793.42 Lacs as per Restated Financials Statement. Although there are no terms and condition prescribed for repayment of unsecured loan from our Director and Promoter which can be recalled at any given point of time during ordinary course of business and thus may affect the business operations and financial performance of our Company.

For further details regarding loans availed by our Company, please refer "Financial Information of our Company" on page 153 of this Draft Red Herring Prospectus.

***16. Any failure to comply with financial and other restrictive covenants imposed on us under our financing agreements may affect our operational flexibility, business, results of operations and prospects.***

As on September 30, 2022, our total secured borrowings amounted to Rs. 754.30 Lacs. Our leverage has several important consequences, including the following:

- A portion of our cash flow will be used towards repayment of debt, which will reduce the availability of cash to fund working capital requirements, capital expenditures and other general corporate purposes;
- Our borrowing cost and the existence of encumbrances on a significant portion of our immovable properties may constrain. In the event of enforcement of an event of default in connection with such secured borrowings (which is not waived or cured), our ability to continue to operate our business at such locations may be restricted;
- Fluctuations in interest rates may affect our cost of borrowing, as all or a substantial part of our borrowings is at floating rates of interest; and

The termination of, or declaration or enforcement of default under, any current or future financing agreement (if not waived or cured) may affect our ability to raise additional funds or renew maturing borrowings to finance our existing operations and pursue our growth initiatives and, therefore, have an effect on our business, results of operations and prospects.

For further details of our loans, Please refer chapter titled "Financial Information of our Company" beginning on Page 153 of this Draft Red Herring Prospectus.

***17. Our operations are labour intensive and our manufacturing operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or those of our suppliers.***

Our operations are labour intensive and we are dependent on a large labour force for our manufacturing operations. The success of our operations depends on availability of labour and maintaining good relationship with our workforce. Shortage of skilled/

unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any major prolonged disruption in our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.


For further details of our business, Please refer to chapter titled "Business Overview" beginning on Page 110 of this Draft Red Herring Prospectus.

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

Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may affect our competitive edge. Our Company had entered into various transactions with our Promoters & Directors. These transactions, inter-alia includes salary, remuneration, loans and advances etc. Our Company entered into such transactions at arm length price due to easy proximity and quick execution.

However, there is no assurance that we could not have obtained better and more favourable terms that our Company not entered into such related party transactions. Our Company may enter into such transactions in future also and we cannot assure that in such an event there would be no adverse effect on results of our operations. For details, please refer to Related Party Transactions of the Auditor's Report under Section titled "Financial Information of the Company" beginning on page no. 153 of this Draft Red Herring Prospectus.

**19. *Our trademark is registered on name of our Company. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights.***

Our Trademark PENTAGON is registered on name of our Company but our logo  is objected. As such, we do not enjoy the statutory protections accorded to a registered logo as on date. There can be no assurance that we will be able to register the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill.

Further, we cannot assure you that our application for registration of our logo will be approved by the relevant authorities in a timely manner or at all. Also we cannot assure that we will able protect our registered trademark. Our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. We may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect our intellectual property.

For further details please refer to chapter titled "Government and Other Approvals" beginning on page 205 of the Draft Red Herring Prospectus.

**20. *Our success is dependent on our Promoters, senior management and skilled manpower. Our inability to attract and retain key personnel or the loss of services of our Promoter or Managing Director and Whole Time Directors may have an adverse effect on our business prospects.***

Our Promoters, Managing Director, Whole Time Director and senior management have significantly contributed to the growth of our business, and our future success is dependent on the continued services of our senior management team. Our Managing Director Mr. Ashish Jain and whole-time Directors Mr. Anil Jain & Mr. Saurabh Jain have been employed with our Company since our incorporation. They are having experience of 23, 37 years and 19 years respectively which turn out beneficial for the Company. An inability to retain any key managerial personnel may have an adverse effect on our operations. Our ability to obtain new clients also depends on our ability to attract, train, motivate and retain highly skilled professionals, particularly at managerial levels. We might face challenges in recruiting suitably skilled personnel, particularly as we continue to grow and diversify our operations. In the future, we may also not be unable to compete with other larger companies for suitably skilled personnel due to their ability to offer more competitive compensation and benefits. The loss of any of the members of our senior management team, our whole-time director or other key personnel or an inability on our part to manage the attrition levels; may materially and adversely impact our business, results of operations, financial condition and growth prospects.

The success of our business is also dependent upon our ability to hire, retain, and utilize qualified personnel and corporate management professionals who have required experience and expertise. From time to time, it may be difficult to attract and retain



qualified individuals with the requisite expertise and we may not be able to satisfy the demand from customers for our Products because of our inability to successfully hire and retain qualified personnel.

For further details of our Promoters and Management, please refer chapter titled “Our Promoters and Promoter Group” and “Our Management” beginning on Page 147 & 134 of this Draft Red Herring Prospectus.

**21. *If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.***

We benefit from certain general tax regulations and incentives that accord favourable treatment to certain of our operations as well as for our activities. These tax benefits include income tax deductions and other taxes. For details regarding income tax deductions, please refer to the chapter “Statement of Possible Tax Benefits” on page 94 of this Draft Red Herring Prospectus.

New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and affect our business, prospects, results of operations and financial condition.

**22. *We face foreign exchange risks that could affect our results of operations.***

Our revenue from operations are effected by foreign exchanges fluctuations. Because of our foreign currency exposures, exchange rate fluctuations, can have a material impact on our results of operations, cash flows and financial condition. The exchange rate between the Indian Rupee and U.S. dollar has been volatile in recent periods and may continue to fluctuate in the future.

Fluctuations in the exchange rates may affect us to the extent of our sales. Our Company may enter into certain contracts to hedge exchange rate fluctuations which may or may not adequately cover the potential loss that may arise as a result of such foreign exchange transactions. Moreover, these hedges do not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates that we have not adequately hedged may impact our profitability and financial condition.

For further details of our financial statements, please refer to the chapter titled “Financial Information of our Company” on page 153 of this Draft Red Herring Prospectus.

**23. *We have experienced negative cash flows in the past. Any such negative cash flows in the future could affect our business, results of operations and prospects.***

Our Company had reported certain negative cash flows from our operating, investing activities and financing activities in the previous years as per the Restated Financial Statements and the same are summarized as under:

Particulars	For the Period ended September 30, 2022	For the year ended March 31,		
		2022	2021	2020
Cash flow from Operating Activities	256.48	18.75	(295.84)	157.58
Cash flow from Investing Activities	(2.78)	(26.76)	(37.13)	(72.16)
Cash flow from Financing Activities	(244.14)	36.19	330.13	(83.50)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, 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 please refer chapter titled “Financial Information of our Company” beginning on Page 153 of this Draft Red Herring Prospectus.

**24. *Our lenders have charge over the immovable properties of our Director and Promoter in respect of finance availed by us.***

Our Director and Promoter has charged their immovable properties in respect of loans / facilities availed by us from banks. The total amounts outstanding and payable by us as secured loans were Rs. 754.29 lacs as on September 30, 2022. Also our directors and promoters has provided personal guarantee for the loan availed by our Company. In the event we default in repayment of the loans / facilities availed by us and any interest thereof, the properties may be subject to forfeiture by lenders, which in turn could have significant adverse effect on business, financial condition or results of operations.



Also if our Director and Promoters revoke their guarantee and property will impact our funding from bank, we also have to arrange for additional security for availing the loan facility. For further details of secured loans of our Company, please refer the chapter titled “Financial Information of our Company” on page no. 153 of this Draft Red Herring Prospectus.

**25. *Our marketing and advertising campaigns may not be successful in increasing the popularity of our products and offerings. If our marketing initiatives are not effective, this may adversely affect our business and results of operations.***

Our revenues are influenced by our marketing plans including advertising. If we adopt unsuccessful marketing and advertising campaigns, we may fail to attract new customers or retain existing customers. If our marketing and advertising strategies are unsuccessful, our business and results of operations could be materially adversely affected. In addition, the support of our employees is also critical for the success of our marketing programmes, such as local marketing and any new strategic initiatives we seek to undertake. While we can mandate certain strategic initiatives, we need the active support of our employees if the implementation of these initiatives is to be successful. The failure of our employees to support our marketing programmes and strategic initiatives could adversely affect our ability to implement our business strategy and harm our business, financial condition, results of operations and prospects.

In addition, increased spending by our competitors on advertising and promotion or an increase in the cost of advertising in the markets in which we operate, could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for marketing and advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business and results of operations.

**26. *We face competition from both domestic as well as international markets and our inability to compete effectively may have a material adverse impact on our business and results of operations.***

Competition in our business is based on pricing, relationships with customers, product quality, customization and innovation. We face pricing pressures from our customers who aim to produce their products at competitive costs and competitors who are able to source their raw materials at cheaper prices or are able to offer more favorable pricing terms to customers. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such customers which would adversely affect our profitability. Additionally, some of our competitors may have greater financial, research and technological resources, larger sales and marketing teams and more established reputation. They may also be in a better position to identify market trends, adapt to changes in industry, innovate new products, offer competitive prices due to economies of scale and also ensure product quality and compliance, which may adversely affect our business and financial condition.

**27. *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. The risks associated with the deployment of manpower include possible claims relating to:

- actions or inactions, including matters for which we may have to indemnify our customers;
- Our failure to adequately verify personnel backgrounds and qualifications;
- failure of manpower engaged by us to adequately perform their duties or absenteeism;
- errors or malicious acts or violation of security, privacy, health and safety regulations; and

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and effect our business. Any claims and proceedings for alleged negligence as well as regulatory actions may in turn materially and consequently, our business, financial condition, results of operations and prospects.

**28. *Our operating results could be adversely affected by weakening of economic conditions due to lock-down in all parts of India and other parts of world due to pandemic covid-19, or similar unforeseen events.***

Our overall performance depends in part on the global economic conditions. Certain economies have experienced periods of downturn due to the past situation prevailed in India and outside India due to pandemic disease of Covid-19 which impact financial markets, concerns regarding the stability and viability of major financial institutions, declines in gross domestic product, and increases in unemployment and volatility in commodity prices and worldwide stock markets, and excessive government debt.

Moreover, the instability in the global economy affects countries in different ways, at different times and with varying severity, which makes the impact to our business unforeseeable and indeterminate. Contract negotiations may become more protracted or conditions could result in reductions in the sale of our products, longer sales cycles, pressure on our margins, difficulties in collection of accounts receivable or delayed payments, increased default risks associated with our accounts receivables, slower adoption of new technologies and increased price competition. Any of these events, as well as a general weakening of, or declining corporate confidence in the global economy, or a curtailment in government or corporate spending could delay or decrease our revenues and therefore have a material adverse effect on our business, operating results and financial condition.

***29. We are exposed to the risk of delays or non-payment by our clients and other counterparties, which may also result in cash flow mismatches.***

We are exposed to counter party credit risk in the usual course of our business dealings with our clients or other counterparties who may delay or fail to make payments or perform their other contractual obligations. The financial condition of our clients, business partners and other counterparties may be affected by the performance of their business which may be impacted by several factors including general economic conditions. We cannot assure you of the continued viability of our counterparties or that we will accurately assess their creditworthiness. We also cannot assure you that we will be able to collect the whole or any part of any overdue payments. Any material non-payment or non-performance by our clients, business partners, suppliers or other counterparties could affect our financial condition, results of operations and cash flows.

***30. 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 our high 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. In addition, several of our collection related processes are yet to be fully automated, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, 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.

***31. 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.***

While we maintain insurance coverage related to our Building, Machinery, Stock and other insurance for movable assets. we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable and in the event of severe damage to our business. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an 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.

***32. Our Promoters and Executive Directors 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 and Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you 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 and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "Our Management" and "Our Promoters and Promoter Group" on pages 134 and 147 respectively of this Draft Red Herring Prospectus.

**33. *We have significant ongoing funding requirements and may not be able to raise additional capital in the future. As a result, we may not be able to respond to business opportunities, challenges or unforeseen circumstances.***

Our major fund based and non-fund based financial assistance has been sanctioned by the bank, i.e. the HDFC and Axis Bank on the security of assets. The Company is dependent on the Banks for its Working Capital requirement and any default under such arrangement with such lender may create problem for operation of the Company, which may affect the financial stability of the Company.

Additionally, this may result into difficulty in arranging for funds for re-payment and may also affect the financial position of the Company. If we are unable in the future to generate sufficient cash flow from operations or borrow the necessary capital to fund our future capital expenditures, we will be forced to limit our growth. In addition, we may not be able to service our existing customers or to acquire new customers. The inability to raise additional capital on acceptable terms could have an effect on our business, results of operations and financial condition.

For further details of our loans, Please refer chapter titled “Financial Information of our Company” beginning on Page 153 of this Draft Red Herring Prospectus

**34. *Our business operations may be disrupted by an interruption in power supply which may impact our business operations.***

Our operations involve a significant amount of power supply as our manufacturing process requires continuous supply of power. We depend on State electricity supply and in DG Set for our power requirements. An interruption in power supply may occur in the future as a result of any natural calamity, technical fault, and shortage of power or other factors beyond our control. This could also result in an increase in the cost of power. Lack of sufficient power resources or an increase in the cost of such power may adversely affect our business, results of operations and financial condition.

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

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

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- changes in India’s tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighbouring countries;
- occurrence of natural or man-made disasters
- prevailing regional or global economic conditions, including in India’s principal export markets; and
- Other significant regulatory or economic developments in or affecting India or its Rubber sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

**36. *The present promoters of the Company are first generation entrepreneurs.***

Our present Promoters are first generation entrepreneur. Their experience in managing and being instrumental in the growth of our Company is limited to the extent of their knowledge and experience and we cannot assure that this will not affect our business growth. Although our Promoters and Directors, Mr. Ashish Jain, Mr. Anil Jain, Mr. Saurabh Jain and Mr. Lalit Jain have vast experience of around 23, 37, 19 and 27 years in the Rubber Industry. For further details of our Director, please refer chapter titled “Our Management” beginning on Page 134 of Draft Red Herring Prospectus.

**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 the us or any strategic alliances which may subsequently become a liability or non-profitable. 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 of the Company” beginning on Page 153 of this Draft Red Herring Prospectus.

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

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

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

Our Company is mainly engaged in manufacturing of conveyor rubber belts which attracts tax liability such as Income tax & Goods and Service Tax and other applicable provision of the Acts. However, the Company has been depositing the return under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position of the Company. For detail, please refer “Outstanding Litigation and Material Development” beginning on page 199 of this Draft Red Herring Prospectus. Any such penalty arising in future may lead to financial loss to our Company.

**40. *We have not identified any alternate source of raising the working capital mentioned as our ‘Objects of the Issue’. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

Our Company has not identified any alternate source of funding for our working capital requirement and for general corporate purposes and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may require our Company to borrow funds on unfavourable terms, both of which scenarios may affect the business operation and financial performance of the Company.

For further details of our Object for the Issue, Please refer chapter titled “Object for the Issue” beginning on Page 83 of this Draft Red Herring Prospectus.

**41. *Our Company’s management will have flexibility in utilizing the Net Proceeds from the Issue. The deployment of the Net Proceeds from the Issue is not subject to any monitoring by any independent agency.***

Our Company intends to primarily use the Net Proceeds towards working capital requirement and for general corporate purposes as described in “Objects of the Issue” on page 83 of this Draft Red Herring Prospectus. In terms of the SEBI (ICDR) Regulations, we are not required to appoint a monitoring agency since the Issue size is not in excess of ₹100 crores. The management of our Company will have discretion to use the Net Proceeds from the Issue, and investors will be relying on the judgment of our Company’s management regarding the application of the Net Proceeds from the Issue. Our Company may have to revise its management estimates from time to time and consequently its requirements may change.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in future by the SEBI.

Accordingly, prospective investors in the Issue will need to rely upon our management’s judgment with respect to the use of Net Proceeds. If we are unable to enter into arrangements for utilization of Net proceeds as expected and assumed by us in a timely manner or at all, we may not be able to derive the expected benefits from the proceeds of the Issue and our business and financial results may suffer.

**42. *Our funds requirements are based on internal management estimates, wherever possible, and have not been appraised by any bank or financial institution. Any increase in the actual deployment of funds may cause an additional burden on our finance plans. We have not entered into definitive agreements to utilize our Issue proceeds.***

The fund 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” on page 83 of the Draft Red Herring Prospectus.

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

We propose to utilize the Net Proceeds for raising funds for working capital Requirement. For further details of the proposed objects of the Issue, please refer the chapter titled “Objects of the Issue” beginning on Page No. 83 of this Draft Red Herring Prospectus. At this juncture, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders of our Company may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity.

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

**44. *Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●] of the Issue Proceed. As on date we have not identified the use of such funds.***

Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●] of the Issue Proceed. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act. For details please refer the chapter titled “Objects of the Issue” beginning on Page No 83 of this Draft Red Herring Prospectus.

**45. *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 is lower than the Issue Price decided by the Company in consultation with the Book Running Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters “Capital Structure” beginning on pages 60 of this Draft Red Herring Prospectus.



**46. *We have not paid any dividends in the last five Financial 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 a host of factors that impact our business and financial condition. Our Company has not paid any dividend on its Equity Shares during the last five Financial Years. The amount of future dividend payments, if any, will depend upon a number of 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 a number of 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 all of our 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" on page 152 of this Draft Red Herring Prospectus.

**47. *We will continue to be controlled by our Promoters and Promoter Group after the completion of the Issue, 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 and Promoter Group hold 100% 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 you 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 chapter titled "Capital Structure" beginning on Page 60 of this Draft Red Herring Prospectus.

**48. *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 you may be unable to resell your 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 and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares is determined considering various financial factors of the Company and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. 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. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities may differ from those that would apply to a company in another jurisdiction. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other jurisdictions. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such pre-emptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interest in our Company would decline.



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

The Issue Price of our Equity Shares has been determined through the Book building process. This price is based on numerous factors. For further information, see “Basis for Issue Price” beginning on page 88 of this Draft Red Herring Prospectus and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly 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.

**51. *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 your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. 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.

**52. *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 Regulation, 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 you that we will be able to do so in a timely manner.

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

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 or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the

existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

## **EXTERNAL RISK FACTORS**

### ***54. 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 in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

### ***55. 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 themselves 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.

On March 4, 2011, the Government of India notified and brought into force new provisions under the Competition Act in relation to combined entities (the "Combination Regulation Provisions"), which came into effect from June 1, 2011. The Combination Regulation Provisions require that any acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, must be notified to and preapproved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 (as amended). These regulations, as amended, set out the mechanism for the implementation of the Combination Regulation Provisions under the Competition Act.

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

The goods and service tax ("GST") that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI

and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments.

As regards the General Anti-Avoidance Rules (“GAAR”), The general anti avoidance rules (“GAAR”) provisions have been made effective from assessment year 2018-19 onwards, i.e.; financial Year 2017-18. The GAAR provisions intend to declare an arrangement as an “impermissible avoidance arrangement”, if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

***57. You may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.***

Under the Companies Act, a company incorporated in India must offer its shareholders pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares who have voted on the resolution, or unless the company has obtained approval from the Government of India to issue without such special resolution, subject to votes being cast in favour of the proposal exceeding the votes cast against such proposal. However, if the law of the jurisdiction you are in does not permit you to exercise your pre-emptive rights without our Company filing an offering document or a registration statement with the applicable authority in the jurisdiction you are in, you will be unable to exercise your pre-emptive rights unless our Company makes such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interest in our Company would be reduced.

***58. Political, economic or other factors that are beyond our control may have an adverse effect on our business, results of operations and cash flows.***

We currently operate in India and are dependent on domestic, regional and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent on the Rubber industry of the Indian economy. There have been periods of slowdown in the economic growth of India. For instance, the present situation of lock-down is prevailing in India due to pandemic Covid-19 spread in India and all other parts of world. If such condition prevail for longer time the Demand for our products & services may be adversely affected by an economic downturn in domestic, regional and global economies. India’s economic growth is also affected by various other factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

The Ministry of Corporate Affairs (“MCA”), Government of India, has through notification dated February 16, 2015 issued the Indian Accounting Standards Rules, 2015 (“Ind AS”) which have come 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. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations.

Further, the Ministry of Finance, Government of India has 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 shall apply from the assessment year 2017-2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the

adoption of ICDS will not adversely affect our business, results of operations and financial condition.

**60. 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.

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

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

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- Any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions, including in India's principal export markets;
- other significant regulatory or economic developments in or affecting India or its ER&D sector;
- International business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;

**62. Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.**

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging Asian market countries. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. In recent times, the Indian financial markets had been negatively affected by the volatility in global financial market, including on account of certain European nations' debt troubles and move to break away by the United Kingdom from the European Union. Although, economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. Dollar owing to, amongst other, the announcements by the U.S. government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Liquidity and credit concerns and volatility in the global credit and financial markets have increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

***63. 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 e-commerce, 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.



## SECTION IV – INTRODUCTION

### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>	
<b>Equity Shares Issued*:</b> Public Issue of Equity Shares by our Company	Upto 23,10,000 Equity Shares aggregating to ₹ [●] Lakhs
of which	
<b>Issue Reserved for the Market Makers</b>	[●] Equity Shares aggregating to ₹ [●] Lakhs
<b>Net Issue to the Public</b>	[●] Equity Shares aggregating to ₹ [●] Lakhs
of which	
<b>A. QIB Portion</b>	Not more than [●] Equity Shares aggregating to ₹ [●] Lakhs
Of which:	
(a) Anchor Investor Portion	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
(b) Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
Of which:	
(i) Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding Anchor Investor Portion))	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
(ii) Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>B. Non-Institutional Category</b>	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>C. Retail Portion</b>	Not Less than [●] Equity Shares aggregating to ₹ [●] Lakhs
<b>Equity Shares outstanding prior to the Issue</b>	54,00,000 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	[●] Equity Shares of face value of ₹10 each
<b>Objects of the Issue/ Use of Issue Proceeds</b>	Please see the chapter titled “Objects of the Issue” on page 83 of this Draft Red Herring Prospectus

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

Note:

- (1) Fresh Issue of upto 23,10,000 Equity Shares in terms of Draft Red Herring Prospectus has been authorized pursuant to a resolution passed by our Board of Directors dated January 07, 2023. and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of the members held on January 11, 2023.
- (2) This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled “Issue Related Information” beginning on page 221 of this Draft Red Herring Prospectus.
- (3) The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.
- (4) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
- (5) In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.



- (6) Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received within the offer price band. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, please refer section titled “Issue Procedure” beginning on page 232 of this Draft Red Herring Prospectus.

**SUMMARY OF FINANCIAL INFORMATION**

**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	For The Year Ended	As at 31st March		
			30.09.2022	2022	2021	2020
<b>A.</b>	<b>Equity and Liabilities</b>					
<b>1</b>	<b>Shareholders' Funds</b>					
	Share Capital	<b>A.1</b>	400.00	400.00	400.00	400.00
	Reserves & Surplus	<b>A.2</b>	295.00	154.43	(154.22)	(264.52)
	<b>Share application money pending allotment</b>		0.00	0.00	0.00	0.00
<b>2</b>	<b>Non-Current Liabilities</b>					
	Long-Term Borrowings	<b>A.3</b>	829.20	978.45	935.34	903.49
	Other Non-Current Liabilities		0.00	0.00	0.00	0.00
	Long-Term Provisions	<b>A.4</b>	5.97	4.86	3.97	2.95
	Deferred Tax Liabilities (Net)		0.00	0.00	0.00	0.00
<b>3</b>	<b>Current Liabilities</b>					
	Short Term Borrowings	<b>A.5</b>	718.48	780.16	714.09	341.38
	Trade Payables :	<b>A.6</b>				
	(A) total outstanding dues of micro enterprises and small enterprises; and		0.00	0.00	0.00	0.00
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	<b>A.6</b>	318.05	252.57	456.62	581.93
	Other Current Liabilities	<b>A.7</b>	114.43	175.11	222.78	159.38
	Short Term Provisions	<b>A.8</b>	66.13	56.56	10.39	8.18
	<b>Total</b>		<b>2,747.27</b>	<b>2,802.16</b>	<b>2,588.97</b>	<b>2,132.80</b>
<b>B.</b>	<b>Assets</b>					
<b>1</b>	<b>Non-Current Assets</b>					
	Property, Plant and Equipment					
	Tangible Assets	<b>A.9</b>	207.76	218.37	256.40	283.98
	Intangible Assets		0.00	0.00	0.00	0.00
	Capital Work in progress	<b>A.9</b>	0.00	0.00	0.00	0.00
	Intangible Assets Under Development		0.00	0.00	0.00	0.00
	Non-Current Investments		0.00	0.00	0.00	0.00
	Deferred Tax Assets	<b>A.10</b>	21.79	30.79	29.49	25.68
	Long Term Loans & Advances		0.00	0.00	0.00	0.00
	Other Non Current Assets	<b>A.11</b>	60.83	61.11	35.41	23.93
<b>2</b>	<b>Current Assets</b>					
	Current Investments		0.00	0.00	0.00	0.00
	Inventories	<b>A.12</b>	1,250.05	1,153.01	953.14	751.37
	Trade Receivables	<b>A.13</b>	991.38	941.26	1060.55	783.92
	Cash and Cash Equivalents	<b>A.14</b>	83.70	74.13	45.95	48.80
	Short-Term Loans and Advances		0.00	0.00	0.00	0.00
	Other Current Assets	<b>A.15</b>	131.76	323.49	208.03	215.12
	<b>Total</b>		<b>2747.27</b>	<b>2802.16</b>	<b>2588.97</b>	<b>2132.80</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D, B & C

**RESTATED STATEMENT OF PROFIT AND LOSS**
**(Rs. in Lakhs)**

Sr. No	Particulars	Note No.	For The Year Ended	For The Year Ended 31st March		
			30.09.2022	2022	2021	2020
<b>A.</b>	<b>Revenue:</b>					
	Revenue from Operations	<b>B.1</b>	2103.80	3502.65	2316.39	1933.03
	Other income	<b>B.2</b>	1.70	8.94	3.31	6.22
	<b>Total revenue</b>		<b>2105.51</b>	<b>3511.59</b>	<b>2319.69</b>	<b>1939.25</b>
<b>B.</b>	<b>Expenses:</b>					
	Cost of Material Consumed	<b>B.3</b>	1652.80	2666.28	1707.24	1501.48
	Change in Inventories of WIP, Finished Goods & Stock in Trade		20.35	24.41	37.26	(19.41)
	Employees Benefit Expenses	<b>B.4</b>	99.23	176.75	166.16	124.08
	Finance costs	<b>B.5</b>	34.32	73.88	75.45	67.01
	Depreciation and Amortization	<b>B.6</b>	13.67	39.10	54.97	46.91
	Other expenses	<b>B.7</b>	78.04	215.17	170.72	119.95
	<b>Total Expenses</b>		<b>1898.41</b>	<b>3195.59</b>	<b>2211.80</b>	<b>1840.01</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>207.10</b>	<b>316.01</b>	<b>107.89</b>	<b>99.24</b>
	Exceptional Items		0.00	0.00	0.00	0.00
	<b>Profit before extraordinary items and tax</b>		<b>207.10</b>	<b>316.01</b>	<b>107.89</b>	<b>99.24</b>
	Extraordinary items		0.00	0.00	0.00	0.00
	<b>Profit before tax</b>		<b>207.10</b>	<b>316.01</b>	<b>107.89</b>	<b>99.24</b>
	<b>Tax expense :</b>					
	Current tax					
	Tax Expense for Current Year		57.54	58.46	10.99	8.02
	Mat Entitlement		0.00	49.81	9.59	8.02
	Short/(Excess) Provision of Earlier Year		0.00	0.00	0.00	0.00
	Deferred Tax	<b>B.8</b>	9.00	-1.30	-3.81	5.43
	<b>Net Current Tax Expenses</b>		<b>66.54</b>	<b>7.35</b>	<b>-2.41</b>	<b>5.43</b>
	Profit (Loss) for the period from continuing operations		<b>140.56</b>	<b>308.66</b>	<b>110.30</b>	<b>93.81</b>
	<b>Earning per equity share in Rs.:</b>					
	(1) Basic		2.60	5.72	2.04	1.74
	(2) Diluted		2.60	5.72	2.04	1.74

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Balance Sheet and cash flows appearing in Annexure D, A & C.

**RESTATED STATEMENT OF CASH FLOWS**
**(Rs. in Lakhs)**

Particulars	For The Year Ended	For The Year Ended 31st March		
	30.09.2022	2022	2021	2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	<b>207.10</b>	<b>316.01</b>	<b>107.89</b>	<b>99.24</b>
<b>Adjustments for:</b>				
Depreciation	13.67	39.10	54.97	46.91
Finance Cost	34.32	73.88	75.45	67.01
Interest Income	0.00	0.00	(2.07)	(1.93)
Prior Period Adjustment	0.00	0.00	0.00	(2.95)
(Profit)/loss on sale of Fixed Assets/Investments	0.00	0.00	0.32	0.00
<b>Operating profit before working capital changes</b>	<b>255.09</b>	<b>428.98</b>	<b>236.57</b>	<b>208.28</b>
Movements in working capital :				
(Increase)/Decrease in Inventories	(97.04)	(199.87)	(201.78)	(453.65)
(Increase)/Decrease in Trade Receivables	(50.12)	119.29	(276.63)	23.24
(Increase)/Decrease in Other Current Assets	191.73	(115.46)	7.09	(23.96)
Increase/(Decrease) in Trade Payables	65.48	(204.05)	(125.30)	373.70
Increase/(Decrease) in Short Term Provisions	9.57	46.17	2.21	8.18
Increase/(Decrease) in Other Current Liabilities	(60.68)	(47.67)	63.40	21.80
<b>Cash generated from operations</b>	<b>314.02</b>	<b>27.40</b>	<b>(294.44)</b>	<b>157.58</b>
Income tax paid during the year (Net with MAT Entitlement)	57.54	8.65	1.40	0.00
<b>Net cash from operating activities (A)</b>	<b>256.48</b>	<b>18.75</b>	<b>(295.84)</b>	<b>157.58</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale/(Purchase) of Investments	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	2.07	1.93
Purchase of Fixed Assets	(3.06)	(1.06)	(28.22)	(73.92)
Sale of Fixed Assets	0.00	0.00	0.50	0.00
Increase in Other Non-Current Assets	0.28	(25.70)	(11.48)	(0.17)
<b>Net cash from investing activities (B)</b>	<b>(2.78)</b>	<b>(26.76)</b>	<b>(37.13)</b>	<b>(72.16)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid on borrowings	(34.32)	(73.88)	(75.45)	(67.01)
Increase/(Decrease) in Long Term Provisions	1.11	0.89	1.02	2.95
Proceeds/(Repayment) of Borrowings	(210.93)	109.19	404.56	(19.44)
<b>Net cash from financing activities (C)</b>	<b>(244.14)</b>	<b>36.19</b>	<b>330.13</b>	<b>(83.50)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>9.56</b>	<b>28.18</b>	<b>(2.85)</b>	<b>1.93</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>74.13</b>	<b>45.95</b>	<b>48.80</b>	<b>46.87</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>83.70</b>	<b>74.13</b>	<b>45.95</b>	<b>48.80</b>
<b>Cash &amp; Cash Equivalent Comprises</b>				
Cash in Hand	21.87	14.35	0.66	9.87
Balance With Bank in Current Accounts	1.76	1.01	0.93	7.09
Balance with Bank in Deposits Accounts	60.07	58.78	44.36	31.84

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and Statement of Balance Sheet appearing in Annexure C, A & B.

## SECTION – V - GENERAL INFORMATION

Our Company was originally incorporated on April 26, 2004 as “Pentagon Rubber Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Punjab, H.P.& Chandigarh. Subsequently our Company was converted into Public Limited Company and name of company was changed from “Pentagon Rubber Private Limited” to “Pentagon Rubber Limited” vide fresh certificate of incorporation dated December 28, 2022 issued by the Registrar of Companies, Chandigarh.

For further details, please refer to chapter titled “History and Corporate Structure” beginning on page 130 of this Draft Red Herring Prospectus.

### Registered Office of our Company

#### **Pentagon Rubber Limited**

Gulabgarh Road, Village Behra Dist. S.A.S. Nagar,  
Derabassi, Mohali, Punjab- 140507, India.

**Tel. No.:** +91-9816610646

**E-mail:** [corporate@pentagonrubber.com](mailto:corporate@pentagonrubber.com)

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

**Corporate Identification Number:** U25192PB2004PLC054282

**Reg. No.:** 054282

*For details relating to changes to the address of our Registered Office, please see “History and Corporate Structure - Changes to the address of the Registered Office of our Company” on page 130 of this Draft Red Herring Prospectus.*

### Address of Registrar of Companies

#### **Registrar of Companies, Chandigarh**

1st Floor, Corporate Bhawan, Plot No.4-B,  
Sector 27-B, PIN-160019, Chandigarh, India.

**Tel No.** 0172-2639415/2981916

**Email:** [roc.chandigarh@mca.gov.in](mailto:roc.chandigarh@mca.gov.in)

**Website:** <http://www.mca.gov.in>

### Designated Stock Exchange

#### **National Stock Exchange of India Limited**

Exchange Plaza, Plot no. C/1, G Block, Bandra

– Kurla Complex, Bandra (E) Mumbai -

400051, Maharashtra, India **Website** –

[www.nseindia.com](http://www.nseindia.com)

### Board of Directors of our company

The Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Ashish Jain	Chairman cum Managing Director	45, Sector-7, Panchkula, Haryana-134109, India	00738412
Mr. Anil Jain	Whole-Time Director	Olive 701, Salcon the Verandas, Golf Course Road, Sector-54, Gurgaon, Haryana-122011, India	00247981
Mr. Saurabh Jain	Whole-Time Director	409, Sector-7, Panchkula, Haryana-134109, India	00761460
Mr. Lalit Jain	Non-Executive Director	Villa-105, Laburnum Sushant Lok, Block-A, Sector-28, Gurgaon, Haryana-122001	00249128
Mr. Manish Verma	Independent Director	322, Lane 9 G, Behind Kisan Bhawan, Sector - 35A, Chandigarh - 160022	08034159
Mrs. Preet Kamal Kaur Bhatia	Independent Director	152, Golden Avenue, Near Har Krishan Public School, Amritsar-143001, Punjab, India.	07070977



For further details of the Directors of our Company, please refer to the chapter titled “Our Management” on page 134 of this Draft Red Herring Prospectus.

#### Company Secretary and Compliance Officer

**Ms. Shubhi Kishore**

Gulabgarh Road, Village Behra Dist. S.A.S. Nagar,  
Derabassi Mohali, Punjab-140507, India.

**Tel. No.:** +91-9816610646

**E-mail:** [compliance@pentagonrubber.com](mailto:compliance@pentagonrubber.com)

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

#### Chief Financial Officer

**Mr. Varun Jain**

Gulabgarh Road, Village Behra Dist. S.A.S. Nagar,  
Derabassi Mohali, Punjab-140507, India.

**Tel. No.:** +91-9816610646

**E-mail:** [finance@pentagonrubber.com](mailto:finance@pentagonrubber.com)

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

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Book Running Lead Manager, in case of any pre-Issue or post-Issue related problems such as non-receipt of Intimation for Allotment, credit of allotted Equity Shares in the respective beneficiary account.

All grievances relating to the ASBA process including UPI may be addressed to the Registrar to the Issue, with a copy to the Designated Intermediary with whom the ASBA Form was submitted, giving full name of the sole or First Applicant, ASBA Form number, Applicant’s DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of Application Form, address of Applicant, the name and address of the relevant Designated Intermediary, where the Application Form was submitted by the Applicant, ASBA Account number (for Applicants other than RIIs bidding through the UPI mechanism) in which the amount equivalent to the Application Amount was blocked or UPI ID in case of RIIs bidding through the UPI mechanism. Further, the Applicant shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue related queries, and for Redressal of complaints, applicant may also write to the Book Running Lead Manager and Company. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Book Running Lead Manager, who shall respond to the same

Details of Key Intermediaries pertaining to this Issue and Our Company:

#### BOOK RUNNING LEAD MANAGER TO THE ISSUE

**BEELINE CAPITAL ADVISORS PRIVATE LIMITED**

807, Phoenix Tower, Opp. New Girish Cold drinks,  
Near Vijay Cross Roads, Navrangpura  
Ahmedabad – 380009, Gujarat, India

**Tel. No.:** +91-79-48405357, 48406357

**Email:** [mb@beelinemb.com](mailto:mb@beelinemb.com)

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

**Investor Grievance Email:** [ig@beelinemb.com](mailto:ig@beelinemb.com)

**Contact Person:** Mr. Nikhil Shah

**SEBI Registration No.:** INM000012917

#### LEGAL ADVISOR TO THE ISSUE

**ANA ADVISORS**

118 Shila Vihar, Gokulpura, Kalwar Road  
Jhotwara, Jaipur-302012

**Email Id:** [anaadvisors22@gmail.com](mailto:anaadvisors22@gmail.com)



**Tel No.:** +91-9887906529  
**Contact Person:** Kamlesh Kumar Goyal

#### REGISTRAR TO THE ISSUE

**LINK INTIME INDIA PRIVATE LIMITED**  
C-101, 1 Floor, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai- 400083, Maharashtra, India  
**Tel. No.:** +91-8108114949  
**Fax No.:** +91-022-49186195  
**Email:** [pentagonrubber.ipo@linkintime.co.in](mailto:pentagonrubber.ipo@linkintime.co.in)  
**Website:** [www.linkintime.co.in](http://www.linkintime.co.in)  
**Investor Grievance Email:** [pentagonrubber.ipo@linkintime.co.in](mailto:pentagonrubber.ipo@linkintime.co.in)  
**Contact Person:** Shanti Gopalkrishnan  
**SEBI Registration No.:** INR000004058

#### ADVISOR TO THE ISSUE

**Adv. Gautam Seengal**  
Unit A-835, Bestech Business Towers,  
Sector 66, Mohali – 160066, Chandigarh  
**Tel. No.:** +91-9815680300  
**Email:** [gautamseengal@gmail.com](mailto:gautamseengal@gmail.com)  
**Contact Person** – Adv. Gautam Seengal

#### BANKERS TO THE COMPANY

##### AXIS BANK LIMITED

[•]

##### HDFC BANK LIMITED

[•]

#### STATUTORY AUDITORS OF THE COMPANY

**M/s. S Jain & CO.,**  
Chartered Accountants  
Red Cross Bhawan, Mall Road,  
Ludhiana - 141001, Punjab, India  
**Tel No.:** +91-0161-2448228  
Mobile No. - +91-9914728300  
**Email:** [info@sjain.in](mailto:info@sjain.in)  
**Contact Person:** Mr. Sanjeev Jain  
**Firm Registration No.:** 009593N  
**Peer Review Registration No.** – 012712

M/s S Jain & CO., Chartered Accountants hold a peer review certificate dated February 03, 2021 issued by the Institute of Chartered Accountants of India

#### BANKER TO THE ISSUE AND REFUND BANKER/SPONSOR BANK

[•]

#### STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Beeline Capital Advisors Private Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not required.

## **SELF CERTIFIED SYNDICATE BANKS (“SCSBS”) AND SYNDICATE SCSB BRANCHES**

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on [www.sebi.gov.in/pmd/scsb.pdf](http://www.sebi.gov.in/pmd/scsb.pdf) For more information on the Designated Branches collecting ASBA Forms, see the above-mentioned SEBI link.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time

## **INVESTORS BANKS OR ISSUER 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=40>. 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, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

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

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time and on SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10>

## **COLLECTING DEPOSITORY PARTICIPANTS**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time and SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18>; <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=4>

## **BROKERS TO THE ISSUE**

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

## **CREDIT RATING**

This being an Issue of Equity Shares, credit rating is not required.

## **IPO GRADING**

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

## **DEBENTURE TRUSTEES**

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

## **TRUSTEES**

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

## **MONITORING AGENCY**

As per Regulation 262(1) of the SEBI (ICDR) Regulations, 2018 as amended, the requirement of Monitoring Agency is not

mandatory if the Issue size is below Rs. 10000.00 Lakhs.

Pursuant to Regulation 32(3) of the SEBI (LODR) Regulations, 2015, our Company shall on a half yearly basis disclose to the Audit Committee the uses and application of the Net Proceeds. Until such time as any part of the Net Proceeds remains unutilized, our Company will disclose the utilization of the Net Proceeds under separate heads in our Company's balance sheet(s) clearly specifying the amount of and purpose for which Net Proceeds have been utilized so far, and details of amounts out of the Net Proceeds that have not been utilized so far, also indicating interim investments, if any, of such unutilized Net Proceeds. In the event that our Company is unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a fiscal, we will utilize such unutilized amount in the next fiscal.

Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulations, 2015, our Company shall furnish to the Stock Exchanges on a half yearly basis, a statement indicating material deviations, if any, in the utilization of the Net Proceeds for the objects stated in this Draft Red Herring Prospectus.

#### **APPRAISING ENTITY**

No appraising entity has been appointed in respect of any objects of this Issue

#### **FILING OF OFFER DOCUMENT**

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

The Draft Red Herring Prospectus/ Red Herring/ Prospectus are being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

A copy of the Red Herring Prospectus/ Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be filed for registration to the Registrar of Companies, 1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, PIN-160019, Chandigarh., India

#### **EXPERTS OPINION**

Except for the reports in the section "Financial Information of our Company" and "Statement of Possible Tax Benefits" on page 153 and page 94 of this Draft Red Herring Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditor for inclusion of their name. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act 1933.

#### **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 in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and in Regional newspaper [●] where our registered office is situated 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 Beeline Capital Advisors Limited,
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with NSE Limited and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Registrar to the Issue;
- The Escrow Collection Banks/ Bankers to the Issue and
- The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein

allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations

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

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

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

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

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention are invited to the chapter titled “Issue Procedure” beginning on page 232 of the Draft Red Herring Prospectus.

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

For further details on the method and procedure for Bidding, please see section entitled “Issue Procedure” on page 232 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; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%

2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Company in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this 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 232 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 Offer 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/Offer Program:**

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

\* *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.*

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

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

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

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

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

## WITHDRAWAL OF THE ISSUE

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

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

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

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

## UNDERWRITING

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

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

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of Total Issue Size Underwritten
[●]	Upto 23,10,000 Equity Shares of ₹ 10/- being Issued at ₹ [●] each	[●]	[●]

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

As per Regulation 260(2) of SEBI (ICDR) Regulations, the Book Running Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.



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

#### CHANGES IN AUDITORS DURING LAST THREE YEARS

There has been no change in the statutory auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus.

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

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

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

The Market Maker shall fulfil 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 NSE 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(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of NSE (NSE EMERGE) and SEBI from time to time
3. The minimum depth of the quote shall be ₹ 1,00,000. However, the investors with holdings of value less than ₹ 1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the SME Platform of NSE from time to time).
5. 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. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size 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 reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
6. The Inventory Management and Buying/Selling Quotations and its mechanism shall be as per the relevant circulars issued by SEBI and SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE from time to time.
7. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
8. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
9. 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.

10. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
11. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
12. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
13. The Market Maker(s) shall have the right to terminate said arrangement by giving a 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(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the 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 the SEBI (ICDR) Regulations, 2018, as amended. Further our 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. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

14. Risk containment measures and monitoring for Market Makers: NSE SME Exchange will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
15. 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.
16. 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:
  - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Offer price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

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

17. **Punitive Action in case of default by Market Makers:** NSE SME Exchange 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.

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

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

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

## SECTION VI – CAPITAL STRUCTURE

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

*Amount (Rs. in Lakhs, except share data)*

Sr. No.	Particulars	Aggregate nominal Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorized Share Capital</b> 80,00,000 Equity Shares having Face Value of Rs 10/- each	800.00	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital before the Issue</b> 54,00,000 Equity Shares having Face Value of Rs.10/- each fully paid up before the Issue.	540.00	-
<b>C</b>	<b>Present Issue in terms of the Draft Red Herring Prospectus</b> Issue of upto 23,10,000 Equity Shares having Face Value of Rs.10/- each at a price of Rs. [●] per Equity Share.	[●]	[●]
	<b>Which Comprises</b>	[●]	[●]
<b>I.</b>	<b>Reservation for Market Maker portion</b> [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
<b>II.</b>	<b>Net Issue to the Public</b> Net Issue to Public of [●] Equity Shares of Rs. 10/- each at a price of Rs. [●] per Equity Share to the Public	[●]	[●]
	<b>of which</b>	[●]	[●]
	At least [●] Equity Shares aggregating up to Rs. [●] Lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
	At least [●] Equity Shares aggregating up to Rs. [●] Lakhs will be available for allocation to Non-Institutional Investors	[●]	[●]
	Not more than [●] Equity Shares aggregating up to Rs. [●] Lakhs will be available for allocation to Qualified Institutional Buyers, five per cent. Of which shall be allocated to mutual funds.	[●]	[●]
<b>D</b>	<b>Issued, Subscribed and Paid-up Equity Share capital after the Issue</b> [●] Equity Shares of Rs. 10/- each	[●]	-
<b>E</b>	<b>Securities Premium Account</b> Before the Issue After the Issue		Nil [●]*

<sup>(1)</sup> The Present Issue of Equity Shares in terms of Draft Red Herring Prospectus has been authorized pursuant to a resolution of our Board of Directors dated January 07, 2023 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of the members held on January 11, 2023.

\*The amount disclosed is prior to deduction of Issue expenses.

### **Class of Shares**

As on the date of Draft Red Herring Prospectus, Our Company has only one class of share capital i.e. Equity Shares of Rs.10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Draft Red Herring Prospectus.

### **Details of changes in Authorized Share Capital of our Company:**

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

- a) The initial Authorised share capital of our Company was ₹100.00 Lakh (Rupees One Hundred Lakhs) divided into 10,00,000 (Ten Lakh) Equity Shares of ₹10/- each. This Authorised capital was increased to ₹200.00 Lakhs (Two hundred Lakhs) divided into 20,00,000 (Twenty Lakhs) Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in their Extra-Ordinary General Meeting held on June 15, 2005.
- b) The Authorised share capital of ₹200.00 Lakhs (Two hundred Lakhs) divided into 20,00,000 (Twenty Lakhs) Equity Shares of ₹10/- each was increased to ₹300.00 Lakhs (Three hundred Lakhs) divided into 30,00,000 (Thirty Lakhs) Equity Shares of

₹10/- each pursuant to a resolution passed by our Shareholders in their Extra- Ordinary General Meeting held on March 05, 2007.

- c) Further the authorized share capital of ₹300.00 Lakhs (Three hundred Lakhs) divided into 30,00,000 (Thirty Lakhs) Equity Shares of ₹10/- each was increased to ₹400.00 Lakhs (Four hundred Lakhs) divided into 40,00,000 (Forty Lakhs) Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in their Extra- Ordinary General Meeting held on March 24, 2009.
- d) This authorized share capital of ₹400.00 Lakhs (Four hundred Lakhs) divided into 40,00,000 (Forty Lakhs) Equity Shares of ₹10/- each was increased to ₹800.00 Lakhs (Eight hundred Lakhs) divided into 80,00,000 (Eighty Lakhs) Equity Shares of ₹10/- each pursuant to a resolution passed by our Shareholders in their Extra- Ordinary General Meeting held on October 19, 2022.

## Notes to Capital Structure

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

(a) The history of the equity share capital and the securities premium account of our company are set out in the following table:-

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
On Incorporation*	20,000	10	10	Cash	Subscription to MOA <sup>(i)</sup>	20,000	2,00,000	Nil
June 26, 2006	19,80,000	10	10	Cash	Further Allotment <sup>(ii)</sup>	20,00,000	2,00,00,000	Nil
March 05, 2007	10,00,000	10	10	Cash	Further Allotment <sup>(iii)</sup>	30,00,000	3,00,00,000	Nil
March 24, 2009	10,00,000	10	10	Cash	Further Allotment <sup>(iv)</sup>	40,00,000	4,00,00,000	Nil
November 24, 2022 <sup>#</sup>	14,00,000	10	--	Other than Cash	Bonus Issue <sup>(v)</sup>	54,00,000	5,40,00,000	Nil

\*Shares were subscribed to Initial Subscriber to Memorandum of Association on April 26, 2004.

<sup>#</sup> Bonus issue of 14,00,000 equity shares in the ratio of 7:20 dated November 24, 2022 has been issued by Capitalization of Reserve & Surplus of the Company.

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

#### Notes:

- (i) Initial Subscribers to the Memorandum of Association subscribed 20,000 Equity Shares of Face Value of Rs. 10/- each, details of which are given below:

S. No.	Names of Person	Number of Shares Allotted
1.	Anil Jain	5,000
2.	Lalit Jain	5,000
3.	Ashish Jain	5,000
4.	Saurabh Jain	5,000

- (ii) Further Allotment of 19,80,000 Equity Shares of Face Value of Rs. 10/- each fully paid. The details of which are given below:

S. No.	Names of Person	Number of Shares Allotted
1	Anil Jain	1,07,500
2	Lalit Jain	1,01,500
3	Ashish Jain	1,00,000
4	Saurabh Jain	1,80,000



5	Kasturi Lal Jain HUF	2,08,500
6	Kasturi Lal Jain	1,35,000
7	Kamal Prabha Jain	26,500
8	Lalit Kumar Jain HUF	1,09,000
9	Vasudha Jain	27,000
10	Tushar Jain	26,500
11	Tanvi Jain	28,000
12	Tarsen Kumar Jain & Sons HUF	79,500
13	Tarsen Kumar Jain	61,500
14	Simmi Jain	81,500
15	Sumeesh Jain HUF (Sumeesh Jain & Sons)	76,500
16	Sumeesh Jain	12,500
17	Ekta Jain	96,000
18	Sarthak Jain	74,500
19	Krishan Kumar Jain	99,000
20	Shimla Devi Jain	7,000
21	Anil Kumar Jain HUF	49,000
22	Amita Jain	39,500
23	Gaurav Jain	78,500
24	Subhash Chand Jain & Sons HUF	32,000
25	Subhash Chand Jain	69,000
26	Kaushal Jain	28,500
27	Ruchika Jain	46,000

(iii) **Further Allotment of 10,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid. The details of which are given below:**

S. No.	Names of Person	Number of Shares Allotted
1	Anil Jain	31,000
2	Lalit Jain	1,17,500
3	Ashish Jain	7,000
4	Saurabh Jain	54,500
5	Kasturi Lal Jain HUF	49,000
6	Kasturi Lal Jain	1,22,000
7	Lalit Kumar Jain HUF	10,000
8	Vasudha Jain	30,000
9	Tushar Jain	4,500
10	Tarsen Kumar Jain & Sons HUF	44,500
11	Tarsen Kumar Jain	46,500
12	Simmi Jain	39,000
13	Sumeesh Jain HUF (Sumeesh Jain & Sons)	8,500
14	Sumeesh Jain	44,000
15	Ekta Jain	85,000
16	Sarthak Jain	10,000
17	Krishan Kumar Jain	72,000
18	Shimla Devi Jain	50,000
19	Anil Kumar Jain HUF	2,500
20	Amita Jain	51,000
21	Gaurav Jain	22,000
22	Subhash Chand Jain & Sons HUF	27,500
23	Subhash Chand Jain	5,000
24	Kaushal Jain	32,500
25	Ruchika Jain	33,500
26	Samik Jain	1,000





(iv) **Further Allotment of 10,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid. The details of which are given below:**

S. No.	Names of Person	Number of Shares Allotted
1	Anil Jain	14,000
2	Lalit Jain	40,500
3	Ashish Jain	1,09,500
4	Saurabh Jain	32,500
5	Kasturi Lal Jain	1,32,500
6	Kamal Prabha Jain	76,500
7	Lalit Kumar Jain HUF	58,500
8	Vasudha Jain	11,500
9	Tushar Jain	13,500
10	Tarsen Kumar Jain & Sons HUF	7,000
11	Tarsen Kumar Jain	37,500
12	Simmi Jain	1,25,500
13	Sumeesh Jain HUF (Sumeesh Jain & Sons)	21,000
14	Sumeesh Jain	35,000
15	Ekta Jain	28,000
16	Sarthak Jain	40,500
17	Shimla Devi Jain	35,000
18	Anil Kumar Jain HUF	68,000
19	Amita Jain	57,000
20	Gaurav Jain	10,000
21	Subhash Chand Jain & Sons HUF	2,500
22	Subhash Chand Jain	22,000
23	Kaushal Jain	3,500
24	Ruchika Jain	12,500
25	Samik Jain	6,000

(v) **Bonus allotment of 14,00,000 Equity Shares of Face Value of Rs. 10/- each fully paid in the ratio of 7:20 i.e., 7 Bonus Equity Shares for 20 each equity share held:**

S. No.	Names of Person	Number of Shares Allotted
1	Anil Jain	1,94,775
2	Lalit Jain	4,42,575
3	Ashish Jain	2,33,450
4	Saurabh Jain	3,96,550
5	Vasudha Jain	23,975
6	Gaurav Jain	38,675
7	Sumeesh Jain	70,000

e) As on the date of the Draft Red Herring Prospectus, our Company does not have any preference share capital.

2. Issue of Equity Shares for consideration other than cash

Except as disclosed below, we have not issued any Equity Shares for consideration other than cash.

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Benefits accrued to company	Allottees	No. of Shares Allotted
November 24, 2022	14,00,000	10.00	--	Other than Cash – Bonus Issue	Capitalization of Reserves	Anil Jain	1,94,775
						Lalit Jain	4,42,575
						Ashish Jain	2,33,450
						Saurabh Jain	3,96,550
						Vasudha Jain	23,975
						Gaurav Jain	38,675
						Sumeesh Jain	70,000

3. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
4. No Equity Shares have been allotted pursuant to any scheme approved under section of 230-234 of Companies Act 2013.
5. As on the date of the Draft Red Herring Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
6. The Issue Price shall be decided by our Company in consultation with the Book Running Lead Manager, except as disclosed below, we have not issued any Equity Shares at price below issue price within last one year from the date of this Draft Red Herring Prospectus.

Date of Allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons of Allotment	Whether part of Promoter Group	Allottees	No. of Shares Allotted
November 24, 2022	14,00,000	10.00	--	Bonus Issue	Yes	Anil Jain	1,94,775
					Yes	Lalit Jain	4,42,575
					Yes	Ashish Jain	2,33,450
					Yes	Saurabh Jain	3,96,550
					Yes	Vasudha Jain	23,975
					Yes	Gaurav Jain	38,675
					Yes	Sumeesh Jain	70,000

## 7. Our Shareholding Pattern

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:

I – Summary of Shareholding Pattern:-

Category	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+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form <sup>§</sup>		
								C	I	a			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)
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX			X	XI=VII+X	XII		XIII	XIV			
(A)	Promoter & Promoter Group	7	54,00,000	-	-	54,00,000	100.00	54,00,000	54,00,000	100.00	-	100.00	-	-	-	-	[●]		
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
I	Non-Promoter-Non-Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C1)	Shares underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
(C2)	Shares held by Emp.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	<b>Total</b>	<b>7</b>	<b>54,00,000</b>	<b>-</b>	<b>-</b>	<b>54,00,000</b>	<b>100.00</b>	<b>54,00,000</b>	<b>54,00,000</b>	<b>100.00</b>	<b>-</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>[●]</b>		

\*As on date of this Draft Red Herring Prospectus 1 Equity share holds 1 vote.

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

§ Our Company has received ISIN activation with CDSL and NSDL, the shares are in process of dematerialisation.

**Table II - Statement showing shareholding pattern of the Promoters and Promoters' Group**

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Shareholding as a % of total no. of shares (calculate as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form			
							No of Voting (XIV) Rights					Total as a % of (A+B+C)	No.	As a % of total shares held (b)	No.		As a % of total shares held (b)		
							Class eg: X	Classes eg: y	Total										
(1)	<b>Indian</b>																		
(a)	Individuals/Hindu undivided Family																		
1.	Anil Jain	1	7,51,275	-	-	7,51,275	13.91	7,51,275	-	7,51,275	13.91	-	13.91	-	-	-	-	-	[●]
2.	Lalit Jain	1	17,07,075	-	-	17,07,075	31.61	17,07,075	-	17,07,075	31.61	-	31.61	-	-	-	-	-	[●]
3.	Ashish Jain	1	9,00,450	-	-	9,00,450	16.68	9,00,450	-	9,00,450	16.68	-	16.68	-	-	-	-	-	[●]
4.	Saurabh Jain	1	15,83,550	-	-	15,83,550	29.33	15,83,550	-	15,83,550	29.33	-	29.33	-	-	-	-	-	[●]
5.	Vasudha Jain	1	92,475	-	-	92,475	1.71	92,475	-	92,475	1.71	-	1.71	-	-	-	-	-	[●]
6.	Gaurav Jain	1	1,49,175	-	-	1,49,175	2.76	1,49,175	-	1,49,175	2.76	-	2.76	-	-	-	-	-	[●]
7.	Sumeesh Jain	1	2,16,000	-	-	2,16,000	4.00	2,16,000	-	2,16,000	4.00	-	4.00	-	-	-	-	-	[●]
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Institutions/ Banks																	
(d)	Any Other – Body Corporate M/s Reliable Data Services Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	7	54,00,000	-	-	54,00,000	100.00	54,00,000	-	54,00,000	100.00	-	100.00	-	-	-	-	[•]
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non Resident Individuals/ Foreign Individuals )	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Sharehold ing of Promoters and Promoters</b>	7	54,00,000	-	-	54,00,000	100.00	54,00,000	-	54,00,000	100.00	-	100.00	-	-	-	-	[•]

	<b>' Group (A)=(A)(1) +(A)(2)</b>																		
<b>Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A</b>																			



**Table III - Statement showing shareholding pattern of the Public shareholder**

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Deposit Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								No of Voting (XIV) Rights					Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
								Class eg: X	Classes eg:y	Total								
(1)	<b>Institutions</b>																	
(a)	Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions/	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Banks																	
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Central Government/ State Government(s) / President of India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>																	
(a(i))	Individuals - i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a(ii))	Individuals - ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	registered with RBI																	
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): - N.A</b>																		
<b>Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A.</b>																		

Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Sr. No. (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								No of Voting (XIV) Rights			Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
								Class eg: X	Class eg: y	Total									
(1)	Custodian/DR Holder - Name of DR Holders (If Available)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Non-Promoter- Non Public Shareholding (C)= (C)(1)+(C)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



**8. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Red Herring Prospectus are:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% shares held (as on that date)
1.	Anil Jain	7,51,275	13.91
2.	Lalit Jain	17,07,075	31.61
3.	Ashish Jain	9,00,450	16.68
4.	Saurabh Jain	15,83,550	29.33
5.	Vasudha Jain	92,475	1.71
6.	Sumeesh Jain	2,16,000	4.00
7.	Gaurav Jain	1,49,175	2.76
	<b>Total</b>	<b>54,00,000</b>	<b>100.00</b>

**9. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company two year prior as on the date of this Draft Red Herring Prospectus are:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% Shares held (as on that date)
1.	Anil Jain	1,57,500	3.94
2.	Lalit Jain	2,64,500	6.61
3.	Ashish Jain	2,21,500	5.54
4.	Saurabh Jain	7,93,000	19.83
5.	Kasturi Lal Jain HUF	2,57,500	6.44
6.	Kasturi Lal Jain	3,89,500	9.74
7.	Kamal Prabha Jain	1,03,000	2.58
8.	Lalit Kumar Jain HUF	1,77,500	4.44
9.	Vasudha Jain	68,500	1.71
10.	Tushar Jain	44,500	1.11
11.	Sumeesh Jain HUF (Sumeesh Jain & Sons)	1,06,000	2.65
12.	Sumeesh Jain	91,500	2.29
13.	Ekta Jain	2,09,000	5.23
14.	Sarthak Jain	1,25,000	3.13
15.	Krishan Kumar Jain	1,71,000	4.28
16.	Shimla Devi Jain	92,000	2.30
17.	Anil Kumar Jain HUF	1,19,500	2.99
18.	Amita Jain	1,47,500	3.69
19.	Gaurav Jain	1,10,500	2.76
20.	Subhash Chand Jain & Sons HUF	62,000	1.55
21.	Subhash Chand Jain	96,000	2.40
22.	Kaushal Jain	64,500	1.61
23.	Ruchika Jain	92,000	2.30
	<b>Total</b>	<b>39,63,500</b>	<b>99.09</b>

**10. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company one year prior as on the date of this Draft Red Herring Prospectus are:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% Shares held (as on that date)
1.	Anil Jain	1,57,500	3.94
2.	Lalit Jain	2,64,500	6.61
3.	Ashish Jain	2,21,500	5.54
4.	Saurabh Jain	7,93,000	19.83
5.	Kasturi Lal Jain HUF	2,57,500	6.44
6.	Kasturi Lal Jain	3,89,500	9.74
7.	Kamal Prabha Jain	1,03,000	2.58



8.	Lalit Kumar Jain HUF	1,77,500	4.44
9.	Vasudha Jain	68,500	1.71
10.	Tushar Jain	44,500	1.11
11.	Sumeesh Jain HUF (Sumeesh Jain & Sons)	1,06,000	2.65
12.	Sumeesh Jain	91,500	2.29
13.	Ekta Jain	2,09,000	5.23
14.	Sarthak Jain	1,25,000	3.13
15.	Krishan Kumar Jain	1,71,000	4.28
16.	Shimla Devi Jain	92,000	2.30
17.	Anil Kumar Jain HUF	1,19,500	2.99
18.	Amita Jain	1,47,500	3.69
19.	Gaurav Jain	1,10,500	2.76
20.	Subhash Chand Jain & Sons HUF	62,000	1.55
21.	Subhash Chand Jain	96,000	2.40
22.	Kaushal Jain	64,500	1.61
23.	Ruchika Jain	92,000	2.30
	<b>Total</b>	<b>39,63,500</b>	<b>99.09</b>

**11. The list of Shareholders holding 1% or more of the paid-up Share Capital of our Company ten days prior as on the date of this Draft Red Herring Prospectus are:**

S. No.	Name	Shares Held (Face Value of Rs. 10 each)	% Shares held (as on that date)
1.	Anil Jain	7,51,275	13.91
2.	Lalit Jain	17,07,075	31.61
3.	Ashish Jain	9,00,450	16.68
4.	Saurabh Jain	15,83,550	29.33
5.	Vasudha Jain	92,475	1.71
6.	Sumeesh Jain	2,16,000	4.00
7.	Gaurav Jain	1,49,175	2.76
	<b>Total</b>	<b>54,00,000</b>	<b>100.00</b>

**12. Except as disclosed below, no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Draft Red Herring Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- issue share capital of our Company.**

S. No.	Name of Shareholders	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares Sold	Subscribed/ Acquired/ Transferred
1.	Saurabh Jain	November 24, 2022	Promoter & Whole-Time Director	54,000	--	Acquired through transfer
2.	Sumeesh Jain	November 24, 2022	Promoter Group	--	(54,000)	Transfer
3.	Anil Jain	November 24, 2022	Promoter & Whole-Time Director	1,94,775	--	Bonus Issue
4.	Lalit Jain	November 24, 2022	Promoter & Non-Executive Director	4,42,575	--	Bonus Issue
5.	Ashish Jain	November 24, 2022	Promoter & Managing Director	2,33,450	--	Bonus Issue
6.	Saurabh Jain	November 24, 2022	Promoter & Whole-Time Director	3,96,550	--	Bonus Issue
7.	Sumeesh Jain	November 24, 2022	Promoter Group	70,000	--	Bonus Issue
8.	Anil Jain	May 30, 2022	Promoter & Managing Director	3,99,000	--	Acquired through transfer





9.	Lalit Jain	May 30, 2022	Promoter & Non-Executive Director	10,00,000	--	Acquired through transfer
10.	Ashish Jain	May 30, 2022	Promoter & Managing Director	4,45,500	--	Acquired through transfer
11.	Saurabh Jain	May 30, 2022	Promoter & Whole-Time Director	3,40,000	--	Acquired through transfer
12.	Kasturi Lal Jain HUF	May 30, 2022	Promoter Group	--	(2,57,500)	Transmission
13.	Kasturi Lal Jain	May 30, 2022	Promoter Group	--	(3,89,500)	Transmission
14.	Kamal Prabha Jain	May 30, 2022	Promoter Group	--	(1,03,000)	Transfer
15.	Lalit Kumar Jain HUF	May 30, 2022	Promoter Group	--	(1,77,500)	Transfer
16.	Tushar Jain	May 30, 2022	Promoter Group	--	(44,500)	Transfer
17.	Sumeesh Jain HUF (Sumeesh Jain & Sons)	May 30, 2022	Promoter Group	--	(1,06,000)	Transfer
18.	Sumeesh Jain	May 30, 2022	Promoter Group	1,08,500	--	Acquired through transfer
19.	Ekta Jain	May 30, 2022	Promoter Group	--	(2,09,000)	Transfer
20.	Sarthak Jain	May 30, 2022	Promoter Group	--	(1,25,000)	Transfer
21.	Krishan Kumar Jain	May 30, 2022	Promoter Group	--	(1,71,000)	Transmission
22.	Shimla Devi Jain	May 30, 2022	Promoter Group	--	(92,000)	Transmission
23.	Anil Kumar Jain HUF	May 30, 2022	Promoter Group	--	(1,19,500)	Transfer
24.	Amita Jain	May 30, 2022	Promoter Group	--	(1,47,500)	Transfer
25.	Subhash Chand Jain & Sons HUF	May 30, 2022	Promoter Group	--	(62,000)	Transfer
26.	Subhash Chand Jain	May 30, 2022	Promoter Group	--	(96,000)	Transfer
27.	Kaushal Jain	May 30, 2022	Promoter Group	--	(64,500)	Transfer
28.	Ruchika Jain	May 30, 2022	Promoter Group	--	(92,000)	Transfer

13. None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares held
Ashish Jain	Chairman cum Managing Director	9,00,450
Anil Jain	Whole-Time Director	7,51,275
Saurabh Jain	Whole-Time Director	15,83,550
Lalit Jain	Non-Executive Director	17,07,075

14. Capital Build up in respect of shareholding of our Promoter:

As on date of the Draft Red Herring Prospectus, our promoters Mr. Ashish Jain, Mr. Anil Jain, Mr. Saurabh Jain and Mr. Lalit Jain holds 49,42,350 Equity Shares constituting 91.53% of the issued, subscribed and paid-up Equity Share capital of our Company. None of the Equity Shares held by our Promoter are subject to any pledge.



Date of Allotment and made fully paid up /transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (₹)	Issue /Acquisition/ Transfer Price per Equity Share (₹)*	Pre-Issue Shareholding %	Post-Issue Shareholding %	Source of Funds
<b>Mr. Anil Jain</b>							
April 26, 2004	On Incorporation	5,000	10	10.00	0.09	[●]	Own fund
June 26, 2006	Further Allotment	1,07,500	10	10.00	1.99	[●]	Own fund
March 05, 2007	Further Allotment	31,000	10	10.00	0.57	[●]	Own fund
August 06, 2007	Transfer	(7000)	10	0.00	(0.13)	[●]	--
March 24, 2009	Further Allotment	14,000	10	10.00	0.26	[●]	Own fund
March 31, 2017	Acquired through Transfer	7000	10	0.00	0.13		
May 30, 2022	Acquired through Transfer	3,99,000	10	0.00	7.39	[●]	Own fund
November 24, 2022	Bonus Issue	1,94,775	10	--	3.61	[●]	-
<b>Total (A)</b>		<b>7,51,275</b>			<b>13.91</b>	[●]	
<b>Mr. Lalit Jain</b>							
April 26, 2004	On Incorporation	5,000	10	10.00	0.09	[●]	Own fund
June 26, 2006	Further Allotment	1,01,500	10	10.00	1.88	[●]	Own fund
March 05, 2007	Further Allotment	1,17,500	10	10.00	2.18	[●]	Own fund
March 24, 2009	Further Allotment	40,500	10	10.00	0.75	[●]	Own fund
May 30, 2022	Acquired through Transfer	10,00,000	10	0.00	18.52	[●]	Own fund
November 24, 2022	Bonus Issue	4,42,575	10	--	8.20	[●]	-
<b>Total (B)</b>		<b>17,07,075</b>			<b>31.61</b>	[●]	
<b>Mr. Ashish Jain</b>							
April 26, 2004	On Incorporation	5,000	10	10.00	0.09	[●]	Own fund
June 26, 2006	Further Allotment	1,00,000	10	10.00	1.85	[●]	Own fund
March 05, 2007	Further Allotment	7,000	10	10.00	0.13	[●]	Own fund
March 24, 2009	Further Allotment	1,09,500	10	10.00	2.03	[●]	Own fund
May 30, 2022	Acquired through Transfer	4,45,500	10	0.00	8.25	[●]	Own fund
November 24, 2022	Bonus Issue	2,33,450	10	--	4.32	[●]	-
<b>Total (C)</b>		<b>9,00,450</b>			<b>16.68</b>	[●]	
<b>Mr. Saurabh Jain</b>							
April 26, 2004	On Incorporation	5,000	10	10.00	0.09	[●]	Own fund
June 26, 2006	Further Allotment	1,80,000	10	10.00	3.33	[●]	Own fund
March 05, 2007	Further Allotment	54,500	10	10.00	1.01	[●]	Own fund
March 24, 2009	Further Allotment	32,500	10	10.00	0.60	[●]	Own fund
March 31, 2017	Acquired through Transfer	5,21,000	10	0.00	9.65	[●]	Own fund
May 30, 2022	Acquired through Transfer	3,40,000	10	0.00	6.30	[●]	Own fund
November 24, 2022	Bonus Issue	3,96,550	10	--	7.34	[●]	--
November 24, 2022	Acquired through Transfer	54,000	10	0.00	1.00	[●]	Own fund
<b>Total (D)</b>		<b>15,83,550</b>			<b>29.33</b>	[●]	
<b>Total (A+B+C+D)</b>		<b>49,42,350</b>			<b>91.53</b>	[●]	

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

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Anil Jain	7,51,275	2.10
Lalit Jain	17,07,075	1.55
Ashish Jain	9,00,450	2.46
Saurabh Jain	15,83,550	1.72

\*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each. The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date.

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

Date of Transaction	Number of Equity Shares Allotted/ Acquired/( Sold)	Face Value (Rs.)	Issue Price/ Acquired Price (Rs.)*	Nature	Nature of Consideration	Name of the Allottees/ Transferor/ transferee	Category
November 24, 2022	54,000	10.00	0.00	Acquired through transfer	Cash	Saurabh Jain	Promoter & Whole-Time Director
November 24, 2022	(54,000)	10.00	0.00	Transfer	Cash	Sumeesh Jain	Promoter Group
November 24, 2022	1,94,775	10.00	--	Bonus Issue	Other than Cash	Anil Jain	Promoter & Whole-Time Director
November 24, 2022	4,42,575	10.00	--	Bonus Issue	Other than Cash	Lalit Jain	Promoter & Non-Executive Director
November 24, 2022	2,33,450	10.00	--	Bonus Issue	Other than Cash	Ashish Jain	Promoter & Managing Director
November 24, 2022	3,96,550	10.00	--	Bonus Issue	Other than Cash	Saurabh Jain	Promoter & Whole-Time Director
November 24, 2022	70,000	10.00	--	Bonus Issue	Other than Cash	Sumeesh Jain	Promoter Group
November 24, 2022	23,975	10.00	--	Bonus Issue	Other than Cash	Vasudha Jain	Promoter Group
November 24, 2022	38,675	10.00	--	Bonus Issue	Other than Cash	Gaurav Jain	Promoter Group

\*The maximum and minimum price at which the aforesaid transaction was made is Nil per Equity Share.

17. Details of the Pre and Post Issue Shareholding of our Promoter and Promoter Group as on the date of the Draft Red Herring Prospectus is as below: -

S. No	Names of Promoters & Promoter Group	Pre-Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
1.	Anil Jain	7,51,275	13.91	7,51,275	[●]
2.	Lalit Jain	17,07,075	31.61	17,07,075	[●]
3.	Ashish Jain	9,00,450	16.68	9,00,450	[●]
4.	Saurabh Jain	15,83,550	28.33	15,83,550	[●]
	<b>TOTAL (A)</b>	<b>49,42,350</b>	<b>91.53</b>	<b>49,42,350</b>	<b>[●]</b>
	<b>Promoter Group</b>				
1.	Vasudha Jain	92,475	1.71	92,475	[●]
2.	Sumeesh Jain	2,16,000	4.00	2,16,000	[●]
3.	Gaurav Jain	1,49,175	2.76	1,49,175	[●]
	<b>TOTAL (B)</b>	<b>4,57,650</b>	<b>8.47</b>	<b>4,57,650</b>	<b>[●]</b>
	<b>GRAND TOTAL (A+B)</b>	<b>54,00,000</b>	<b>100.00</b>	<b>54,00,000</b>	<b>[●]</b>

18. Details of Promoter's Contribution locked in for three years:

Date of Allotment / transfer of fully paid up Shares	Date when made Fully paid up	Nature of Allotment/ Acquired/Transfer	No. of shares Allotted/ Acquired Transferred	Face Value (Rs.)	Issue Price/ Transfer Price	% of Pre Issue Shareho	% of Post Issue Shareho	Lock In
--	------------------------------	--	--	------------------	-----------------------------	------------------------	-------------------------	---------



					(Rs.)	lding	lding	
<b>Mr. Anil Jain</b>								
April 26, 2004	April 26, 2004	On Incorporation	5,000	10.00	10.00	0.09	[●]	3 Years
June 26, 2006	June 26, 2006	Further Allotment	1,07,500	10.00	10.00	1.99	[●]	3 Years
March 05, 2007	March 05, 2007	Further Allotment	31,000	10.00	10.00	0.57	[●]	3 Years
March 24, 2009	March 24, 2009	Further Allotment	14,000	10.00	10.00	0.26	[●]	3 Years
November 24, 2022	November 24, 2022	Bonus Issue	20,000	10.00	--	0.37	[●]	3 Years
<b>Total (A)</b>			<b>1,77,500</b>			<b>3.29</b>	[●]	
<b>Mr. Lalit Jain</b>								
April 26, 2004	April 26, 2004	On Incorporation	5,000	10.00	10.00	0.09	[●]	3 Years
June 26, 2006	June 26, 2006	Further Allotment	1,01,500	10.00	10.00	1.88	[●]	3 Years
March 05, 2007	March 05, 2007	Further Allotment	1,17,500	10.00	10.00	2.18	[●]	3 Years
March 24, 2009	March 24, 2009	Further Allotment	40,500	10.00	10.00	0.75	[●]	3 Years
November 24, 2022	November 24, 2022	Bonus Issue	40,000	10.00	--	0.74	[●]	3 Years
<b>Total (B)</b>			<b>3,04,500</b>			<b>5.64</b>	[●]	
<b>Mr. Ashish Jain</b>								
April 26, 2004	April 26, 2004	On Incorporation	5,000	10.00	10.00	0.09	[●]	3 Years
June 26, 2006	June 26, 2006	Further Allotment	1,00,000	10.00	10.00	1.85	[●]	3 Years
March 05, 2007	March 05, 2007	Further Allotment	7,000	10.00	10.00	0.13	[●]	3 Years
March 24, 2009	March 24, 2009	Further Allotment	1,09,500	10.00	10.00	2.03	[●]	3 Years
November 24, 2022	November 24, 2022	Bonus Issue	30,000	10.00	--	0.56	[●]	3 Years
<b>Total (C)</b>			<b>2,51,500</b>			<b>4.66</b>	[●]	
<b>Mr. Saurabh Jain</b>								
April 26, 2004	April 26, 2004	On Incorporation	5,000	10.00	10.00	0.09	[●]	3 Years
June 26, 2006	June 26, 2006	Further Allotment	1,80,000	10.00	10.00	3.33	[●]	3 Years
March 05, 2007	March 05, 2007	Further Allotment	54,500	10.00	10.00	1.01	[●]	3 Years
March 24, 2009	March 24, 2009	Further Allotment	32,500	10.00	10.00	0.60	[●]	3 Years
March 31, 2017	March 31, 2017	Acquired through Transfer	5,21,000	10.00	0.00	9.65		
November 24, 2022	November 24, 2022	Bonus Issue	73,500	10.00	--	1.36	[●]	3 Years
<b>Total (D)</b>			<b>8,66,500</b>			<b>16.05</b>	[●]	
<b>Grand Total (A+B+C+D)</b>			<b>16,00,000</b>			<b>29.63</b>	[●]	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 236 of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

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

Our Promoters, Mr. Anil Jain, Mr. Lalit Jain, Mr. Ashish Jain and Mr. Saurabh Jain has, by a written undertaking, consented to have 16,00,000 Equity Shares held by them to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed/sold/transferred by the promoter during the period starting from the date of filing this Draft Red Herring Prospectus with SME Platform of NSE till the date of commencement of lock-in period as stated in this Draft Red Herring Prospectus. The Equity Shares under the Promoters contribution will constitute [●] of our post-Issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 236 of the SEBI ICDR Regulations will not be less than 20% of the post Issue paid up capital of our Company.

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

<b>Reg. No.</b>	<b>Promoters' Minimum Contribution Conditions</b>	<b>Eligibility Status of Equity Shares forming part of Promoter's Contribution</b>
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 issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters' contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible</u></b>
237 (1) (b)	Specified securities acquired by the promoters 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 Eligible.</u></b>
237 (1) (c)	Specified securities allotted to the promoters 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 issuer 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 promoters of the issuer and there is no change in the management	The minimum Promoter's contribution does not consist of such Equity Shares. <b><u>Hence Eligible.</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 Eligible.</u></b>

### Details of Share Capital Locked in For One Year

In terms of Regulation 236 and 237 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire pre-issue equity share capital held by promoters and entire pre-issue capital held by Promoter Group i.e. 38,00,000 Equity Shares shall be locked in for a period of 1 (one) year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription ‘**non-transferable**’ along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

- a) In terms of Regulation 242 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- b) In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

19. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.
20. Neither, we nor our Promoters, Directors and the Book Running Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
21. 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 instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Offer.
22. As on the date of the Draft Red Herring Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
23. Our Company has not raised any bridge loan against the proceeds of the Issue.
24. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
25. As on the date of the Draft Red Herring Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
26. The Book Running Lead Manager i.e. Beeline Capital Advisors Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of the Draft Red Herring Prospectus.



27. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares Issued have been listed or application moneys refunded on account of failure of Issue.
28. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments
29. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
30. An over-subscription to the extent of 2% of the Net 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 2% of the Net Issue. In such an event, the Equity Shares held by the Promoter is used for allotment and lock- in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
31. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
32. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
33. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
34. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
35. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
36. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
37. As on the date of the Draft Red Herring Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
38. There are no Equity Shares against which depository receipts have been issued.
39. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Draft Red Herring Prospectus.
40. We have 7 (Seven) Shareholders as on the date of filing of the Draft Red Herring Prospectus.
41. There are no safety net arrangements for this Public Issue.
42. Our Promoter and Promoter Group will not participate in this Issue.
43. This Issue is being made through Book Building method.
44. Except as disclosed in the Draft Red Herring Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Draft Red Herring Prospectus.
45. No person connected with the Issue shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

**46.** We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue includes a public Issue of upto 23,10,000 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. To Meet Working Capital Requirement
  2. General Corporate Purpose
  3. To Meet the Issue Expenses
- (Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of National Stock Exchange of India Limited (NSE EMERGE). 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 of our Memorandum of Association (MOA) enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association (MOA).

#### **Requirement of Funds: -**

The details of the proceeds from the Issue are provided in the following table:

Particulars	Amt. (₹ in Lakhs)
Gross Issue Proceeds*	[●]
Less: Public Issue Related Expenses*	[●]
<b>Net Issue Proceeds*</b>	<b>[●]</b>

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

#### **Utilisation of Funds: -**

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

S. No	Particulars	Amt. (₹ in Lakhs)	% of Total Size
1.	To Meet Working Capital Requirement*	[●]	[●]
2.	General Corporate Expenses*	[●]	[●]
<b>Net Issue Proceeds</b>		<b>[●]</b>	<b>[●]</b>

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

**Means of Finance: -** We intend to finance our Objects of Issue through Net Proceeds which is as follows:

Particulars	Amt. (₹ in Lakhs)
Net Proceeds	[●]
<b>Total</b>	<b>[●]</b>

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

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds. We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Red Herring Prospectus.

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

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

Details of Use of Issue Proceeds:

### 1. To Meet Working Capital Requirement

Since Incorporation, our Company is engaged in Rubber industry. The Business of the Company is working capital intensive; hence it will meet the requirement to the extent of [●] Lakhs from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirements of the business. The Company will be utilizing the additional working capital for expansion of its business activities.

Details of Estimation of Working Capital requirement are as follows:

(₹ In Lakhs)

S. No.	Particulars	Actual (Restated)	Actual (Restated)	Actual (Restated)	Actual (Provisional)	Actual (Projected)
		31-March-20	31-March-21	31-March-22	31-March-23	31-March-24
I	<b>Current Assets</b>					
	Trade receivables	783.92	1060.55	941.26	1125.00	1750.00
	Inventories	751.37	953.14	1153.01	1227.45	1707.41
	Cash and cash equivalents	48.80	45.95	74.13	74.00	137.00
	Short term loan & Advances	-	-	-	50.00	78.24
	Other Current Assets	215.12	208.03	323.49	352.70	569.75
	<b>Total(A)</b>	<b>1799.21</b>	<b>2267.67</b>	<b>2491.89</b>	<b>2829.16</b>	<b>4242.40</b>
II	<b>Current Liabilities</b>					
	Trade payables	581.93	456.62	252.57	269.08	294.75
	Short Term Provisions	8.18	10.39	56.56	93.02	162.50
	Other Current Liabilities	159.38	222.78	175.11	175.79	197.72
	<b>Total (B)</b>	<b>749.49</b>	<b>689.80</b>	<b>484.25</b>	<b>537.89</b>	<b>654.97</b>
III	<b>Total Working Capital Gap (A-B)</b>	<b>1049.72</b>	<b>1577.87</b>	<b>2007.64</b>	<b>2291.27</b>	<b>3587.43</b>
IV	Funding Pattern					
	Short-term borrowing & Internal Accruals	1049.72	1577.87	2007.64	2291.27	[●]
	<b>IPO Proceeds</b>					[●]

Key assumptions for working capital projections made by the Company:

Particulars	Actual March 31, 2021	Actual March 31, 2022	Provisional March 31, 2023	Projected March 31, 2024
Debtors (in Days)	165	97	90	90
Creditors (in Days)	101	36	30	21
Inventory (in Days)	213	163	137	122

S. No.	Particulars
Debtors	We expect Debtors holding days to be at 90 Days approx. for FY 2023-24 based on increased sales of Service and better credit Management policies ensuring timely recovery of dues.
Creditors	We expect creditor payment days to be at 21 Days approx. for FY 2023-24 based on better credit period allowed by suppliers.
Inventory	We expect inventory holding days to be at 122 Days approx. for FY 2023-24 based on better inventory management.

## 2. General Corporate Purposes

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

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

## 3. Public Issue Expenses: -

The estimated Issue related expenses include Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. [●] Lakhs which is [●]% of the Issue Size. All the Issue related expenses shall be proportionately met out from proceeds of the Issue as per applicable laws. The break-up of the same is as follows:

Particulars	Estimated expenses (Rs. In Lakhs) *	As a % of total estimated Issue related expenses*	As a % of the total Issue size*
Book Running Lead Manager Fees including underwriting commission	[●]	[●]	[●]
Brokerage, selling, commission and upload fees	[●]	[●]	[●]
Registrar to the issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationery	[●]	[●]	[●]
Others, if any (market making, depositories, marketing fees, secretarial, peer review auditors, etc.)	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\* To be incorporated in the Prospectus after finalisation of the Issue Price.

**Notes:**

1. Selling commission payable to the members of the CDPs, RTA and SCSBs, on the portion for RIIs and NIIs, would be as follows:  
 Portion for RIIs 0.01% ^ or ₹ 100/- whichever is less ^ (exclusive of GST) Portion for NIIs 0.01% ^ or ₹ 100/- whichever is less ^ (exclusive of GST)  
 ^Percentage of the amounts received against the Equity Shares Allotted (i.e. the product of the number of Equity Shares Allotted and the Issue Price).
2. The Members of RTAs and CDPs will be entitled to application charges of ₹ 10/- (plus applicable GST) per valid ASBA Form. The terminal from which the application has been uploaded will be taken into account in order to determine the total application charges payable to the relevant RTA/CDP.
3. Registered Brokers, will be entitled to a commission of ₹ 10/- (plus GST) per Application Form, on valid Applications, which are eligible for allotment, procured from RIIs and NIIs and submitted to the SCSB for processing. The terminal from which the application has been uploaded will be taken into account in order to determine the total processing fees payable to the relevant Registered Broker.
4. SCSBs would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to SCSBs
5. Issuer banks for UPI Mechanism as registered with SEBI would be entitled to a processing fee of ₹ 10/- (plus GST) for processing the Application Forms procured by the members of the Registered Brokers, RTAs or the CDPs and submitted to them.
6. Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹ 25,000/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹ 25,000/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.

**Proposed Schedule of Implementation:**

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

(₹ In Lakhs)		
S. No.	Particulars	Amount to be deployed and utilized in F.Y. 2023-24*
1.	To Meet Working Capital Requirement	[•]
2.	General Corporate Purpose	[•]
	<b>Total</b>	[•]

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

**Funds Deployed and Source of Funds Deployed:**

Our Statutory Auditors **M/s. S Jain & Co.**, Chartered Accountants vide their certificate dated March 07, 2023 vide UDIN 23088469BGRUQH9410 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt. (₹ in Lakhs)*
Issue Expenses	8.57
<b>Total</b>	<b>8.57</b>

**Sources of Financing for the Funds Deployed:**

Our Statutory Auditors **M/s. S Jain & Co.**, Chartered Accountants vide their certificate dated March 07, 2023 vide UDIN 23088469BGRUQH9410 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt. (₹ in Lakhs)*
Internal Accruals	8.57
<b>Total</b>	<b>8.57</b>



## **Appraisal**

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

## **Shortfall of Funds**

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

## **Bridge Financing Facilities**

As on the date of this Draft Red Herring Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

## **Monitoring Utilization of Funds**

The Audit Committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications 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. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

## **Interim Use of Proceeds**

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

## **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## **Other confirmations**

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

### **BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Business Overview” and its financial statements under the section titled “Financial Information of our Company” beginning on page 25., page 110 and page 153 respectively of this Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the BRLM on the basis of the key business strengths of our Company. The face value of the Equity Shares is Rs. 10 and Issue Price is [●] which is [●] times of the face value.

#### **QUALITATIVE FACTORS**

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Business Overview” beginning on page 110 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. Some of the quantitative factors, which form the basis for computing the price, are as follows:

##### **1. Basic & Diluted Earnings per share (EPS), as restated:**

Basic earnings per share (₹) = 
$$\frac{\text{Restated Consolidated/ Standalone Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding}}$$

Diluted earnings per share (₹) = 
$$\frac{\text{Restated Standalone /Consolidated Profit After Tax attributable to Equity Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding after adjusting adjusted for the effects of all dilutive potential equity shares}}$$

S. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2019-20	1.74	1
2.	FY 2020-21	2.04	2
3.	FY 2021-22	5.72	3
	<b>Weighted Average</b>	<b>3.83</b>	<b>6</b>
	September 30, 2022	<b>2.60</b>	

Notes:

- i. The figures disclosed above are based on the restated financial statements of the Company.
- ii. The face value of each Equity Share is ₹10.00.
- iii. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV of respective Consolidated and Standalone financials.

##### **2. Price Earning (P/E) Ratio in relation to the Issue Price of [●] per share:**

Price to Earnings Ratio(P/E) = 
$$\frac{\text{Issue Price}}{\text{Restated Standalone /Consolidated Earnings Per Share}}$$

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2021-22	[●]
2	P/E ratio based on the Weighted Average EPS	[●]

#### **Industry PE**

Particulars	P/E*
Highest	25.51

Lowest	23.39
Average	24.45

\* Based on Peer Group Companies as presented in Point 5 below.

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

Return on Net Worth (%) =  $\frac{\text{Restated Standalone / Consolidated Profit After Tax attributable to Equity Shareholders}}{\text{Net Worth}} * 100$

S. No	Period	RONW (%)	Weights
1	FY 2019-20	69.24	1
2	FY 2020-21	44.88	2
3	FY 2021-22	55.67	3
	<b>Weighted Average</b>	<b>54.34</b>	<b>6</b>
	September 30, 2022	<b>20.22</b>	

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

Restated Net Asset Value per equity share (₹) =  $\frac{\text{Restated Standalone / Consolidated Net Worth as at the end of the year}}{\text{Number of Equity Shares outstanding}}$

Sr. No.	As at	NAV
1.	March 31, 2020	3.39
2.	March 31, 2021	6.14
3.	March 31, 2022	13.86
4.	NAV after Issue	[●]
	<b>Issue Price</b>	[●]
	September 30, 2022	17.37

### 5. Comparison of Accounting Ratios with Industry Peers

S. No.	Name of Company	Results Type	Face Value (₹)	EPS(₹) <sup>3</sup>	PE <sup>4</sup>	RoNW(%)	NAV per Share(₹)
1.	Somi Conveyor Beltings Limited	Standalone	10.00	1.46	25.51	2.67%	54.52
2.	International Conveyors Limited	Standalone	10.00	2.31	23.39	6.84%	338.06
3.	Pentagon Rubber Limited	Standalone	10.00	5.72	[●]	55.67	13.86

<sup>1</sup> Based on March 31, 2022 restated financial statements

<sup>2</sup> Source: Based on Annual Report of Peer Group Companies

<sup>3</sup> Basic & Diluted Earnings per share (EPS) is calculated on weighted average number of shares after considering Bonus Issue of Shares.

<sup>4</sup> Price Earning (P/E) Ratio in relation to the Issue Price of [●] per share.

- The face value of our shares is ₹10.00 per share and the Issue Price is of [●] per share which is [●] times of the face value.
- The Issue Price has been determined by our Company in consultation with the Book Running Lead Manager and justified by our Company in consultation with the Book Running Lead Manager on the basis of above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.

## 8. Key performance indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers. The KPIs disclosed below have been approved, by a resolution of our Audit Committee dated March 07, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this Prospectus. Further, the KPIs herein have been certified by M/S. S. Jain & Company, Chartered Accountants, by their certificate dated March 07, 2023 having UDIN 23088469BGRUQI9232.

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. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

### Key Performance Indicators of our Company.

(Rs in lakhs)

Key Financial Performance	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Revenue from Operations <sup>(1)</sup>	2103.80	3502.65	2316.39	1933.03
EBITDA <sup>(2)</sup>	250.18	421.30	230.07	205.73
EBITDA Margin <sup>(3)</sup>	11.89%	12.02%	9.9%	10.64%
PAT	140.56	308.66	110.30	93.81
PAT Margin <sup>(4)</sup>	6.6%	8.8%	4.76%	4.85%

#### Notes:

- (1) Revenue from operation means revenue from sales.
- (2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses
- (3) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- (4) PAT Margin is calculated as PAT for the period/year divided by revenue from operations

### Explanation for KPI metrics

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

### Operational KPI's of the Company:

Key Financial Performance	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Revenue split between domestic and exports				
Domestic Market (in Lakhs)	2103.80	3352.62	2211.29	1761.53
Export Market (in Lakhs)	0.00	150.02	105.10	171.50
Domestic Market (%)	100%	95.72%	95.46%	91.12%
Export Market (%)	0.00	4.28%	4.54%	8.88%
Contribution to revenue from operations of top 1 / 3 / 5/ 10 customers (Amount in Lakhs)				
Top 1	843.60	717.60	390.22	240.79
Top 3	1392.35	1759.43	945.16	616.57
Top 5	1668.85	2326.29	1239.17	906.19
Top 10	2031.56	3005.85	1813.23	1304.43

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

We have listed peer Companies such as Somi Conveyor Belting Limited and International Conveyors Limited, listed on the Indian Stock Exchanges, of which comparison of Key Performance Indicators as below:

Particulars	Pentagon Rubber Limited				Somi Conveyor Beltings Limited				International Conveyors Limited			
	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
<b>Revenue from Operation</b>	2103.80	3502.65	2316.39	1933.03	3302.64	5723.39	4687.51	4628.16	11644	20507.74	16622.42	9130.28
<b>EBITDA</b>	250.18	421.30	230.07	205.73	323.69	666.03	667.86	769.02	2040.00	3269.35	2747.91	1687.52
<b>EBITDA Margin</b>	11.89%	12.02%	9.9%	10.64%	9.80	11.64	14.25	16.62	17.52	15.94	16.53	18.48
<b>PAT</b>	140.56	308.66	110.30	93.81	102.76	171.58	176.12	242.74	1479.00	1560.48	1521.39	844.27
<b>PAT Margin</b>	6.6%	8.8%	4.76%	4.85%	3.11	3.00	3.76	5.24	12.70	7.61	9.15	9.25

Notes: (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements/ Annual Reports of the respected

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

(3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost - Other Income

(4) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations

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

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

### Weighted average cost of acquisition

- a. The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities):** There has been issuance of Equity Shares during the 18 months preceding the date of this Prospectus (Except Bonus Issue of Shares), where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.
- b. The price per share of our Company based on the secondary sale / acquisition of shares (equity shares):** There details of 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 is as follows.

Name of Transferor	Date of Transfer	Number of Equity Shares Sold	Face Value (₹)	Transfer Price (₹)	Name of transferee	Total Consideration
Sumeesh Jain	November 24, 2022	54,000	10.00	0.00	Saurabh Jain	Nil
Kasturi Lal Jain HUF	May 30, 2022	2,57,500			Lalit Jain	
Kasturi Lal Jain		3,89,500			Lalit Jain	
Kamal Prabha Jain		1,03,000			Lalit Jain	
Lalit Kumar Jain HUF		1,77,500			Lalit Jain	
Tushar Jain		44,500			Lalit Jain	
Sumeesh Jain HUF (Sumeesh Jain & Sons)		1,06,000			Saurabh Jain	
Ekta Jain		2,09,000			Sumeesh Jain	
Sarthak Jain		1,25,000			Sumeesh Jain	
Krishan Kumar Jain		1,32,000			Anil Jain	
Krishan Kumar Jain		39,000			Ashish Jain	
Shimla Devi Jain		92,000			Ashish Jain	
Anil Kumar Jain HUF		1,19,500			Anil Jain	
Amita Jain		1,47,500			Anil Jain	
Subhash Chand Jain & Sons HUF		62,000			Ashish Jain	
Subhash Chand Jain		96,000			Ashish Jain	
Kaushal Jain		64,500			Ashish Jain	
Ruchika Jain		92,000			Ashish Jain	
Sumeesh Jain		1,41,000			Saurabh Jain	
Sumeesh Jain		91,500			Saurabh Jain	

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

There have been no primary transactions (Excluding Bonus) to the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this Draft Red Herring Prospectus.



**Weighted average cost of acquisition on issue price**

<b>Types of transactions</b>	<b>Weighted average cost of acquisition (₹ per Equity Shares)</b>	<b>Floor price (i.e. ₹ [●]/-)</b>	<b>Cap price (i.e. ₹ [●] /-)</b>
Weighted average cost of acquisition of primary / new issue as per paragraph a above.	NA*	NA*	NA*
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph b above.	0.00	NA*	NA*
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	NA*	NA*	NA*

Note - \*There was no primary / new issue of shares (equity/ convertible securities) other than Equity Shares issued pursuant to a bonus issue on November 24, 2022 in last 18 months and three years prior to the date of this Draft Red Herring Prospectus.

Investors should read the above-mentioned information along with section titled “Business Overview”, “Risk Factors” and “Financial Information of our Company” beginning on page 110, 25 and 153 respectively including important profitability and return ratios, as set out in chapter titled “Other Financial Information” on page 190 of this Draft Red Herring Prospectus to have a more informed view.

**STATEMENT OF POSSIBLE TAX BENEFITS**

To,

**The Board of Directors**

Pentagon Rubber Limited  
Gulabgarh Road,  
Village Behra,  
Dist. S.A.S. Nagar,  
Derabassi, Mohali, Punjab-140507

Dear Sir,

**Subject - Statement of possible tax benefits (“the statement”) available to Pentagon Rubber Limited (“the company”) and its shareholder prepared in accordance with the requirement in Point No. 9 (L) of Part A of Schedule VI to the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations, 2018.**

**REFERENCE - PROPOSED INITIAL PUBLIC OFFER OF UPTO 23,10,000 EQUITY SHARES OF FACE VALUE OF Rs. 10 EACH (“EQUITY SHARES”) OF PENTAGON RUBBER LIMITED (“ISSUER”)**

We hereby confirm that the enclosed Annexure 1 and 2 (together “the Annexures”), prepared by Pentagon Rubber Limited (“the Company”), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (“the Act”) as amended by the Finance Act 2022, circular and notifications issued from time to time, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2023, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India (together, the “Tax Laws”). Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

1. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering.
2. 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;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
3. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
4. No assurance is given that the revenue authorities/ Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
5. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

6. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

**For S. Jain & Co**  
**Chartered Accountants**  
**FRN: 009593N**

**CA Sanjeev Jain**  
**Partner**  
**Membership No. 088469**  
**UDIN: 23088469BGRUQC7402**

**Place: Ludhiana**  
**Date: 07.03.2023**

## ANNEXURE 1 TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Act 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.

### **YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

- A. SPECIAL TAX BENEFITS TO THE COMPANY** - The Company is not entitled to any special tax benefits under the Act.
- B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER** - The Shareholders of the Company are not entitled to any special tax benefits under the Act

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Prospectus/Prospectus.

## ANNEXURE 2 TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the GST Act 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.

### **YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION**

- A. SPECIAL TAX BENEFITS TO THE COMPANY** - The Company is not entitled to any special tax benefits under the GST Act.
- B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER** - The Shareholders of the Company are not entitled to any special tax benefits under the GST Act

#### **Note:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the Draft Prospectus/Prospectus.

## SECTION VIII – ABOUT THE COMPANY

### OUR INDUSTRY

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### GLOBAL OUTLOOK

The global economy is experiencing a number of turbulent challenges. Inflation higher than seen in several decades, tightening financial conditions in most regions, Russia's invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook. Normalization of monetary and fiscal policies that delivered unprecedented support during the pandemic is cooling demand as policymakers aim to lower inflation back to target. But a growing share of economies are in a growth slowdown or outright contraction. The global economy's future health rests critically on the successful calibration of monetary policy, the course of the war in Ukraine, and the possibility of further pandemic-related supply-side disruptions, for example, in China.

Global growth is forecast to slow from 6.0 percent in 2021 to 3.2 percent in 2022 and 2.7 percent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic and reflects significant slowdowns for the largest economies: a US GDP contraction in the first half of 2022, a euro area contraction in the second half of 2022, and prolonged COVID-19 outbreaks and lockdowns in China with a growing property sector crisis. About a third of the world economy faces two consecutive quarters of negative growth. Global inflation is forecast to rise from 4.7 percent in 2021 to 8.8 percent in 2022 but to decline to 6.5 percent in 2023 and to 4.1 percent by 2024. Upside inflation surprises have been most widespread among advanced economies, with greater variability in emerging market and developing economies.

Risks to the outlook remain unusually large and to the downside. Monetary policy could miscalculate the right stance to reduce inflation. Policy paths in the largest economies could continue to diverge, leading to further US dollar appreciation and cross-border tensions. More energy and food price shocks might cause inflation to persist for longer. Global tightening in financing conditions could trigger widespread emerging market debt distress. Halting gas supplies by Russia could depress output in Europe. A resurgence of COVID-19 or new global health scares might further stunt growth. A worsening of China's property sector crisis could spill over to the domestic banking sector and weigh heavily on the country's growth, with negative cross-border effects. And geopolitical fragmentation could impede trade and capital flows, further hindering climate policy cooperation. The balance of risks is tilted firmly to the downside, with about a 25 percent chance of one-year-ahead global growth falling below 2.0 percent—in the 10th percentile of global growth outturns since 1970.

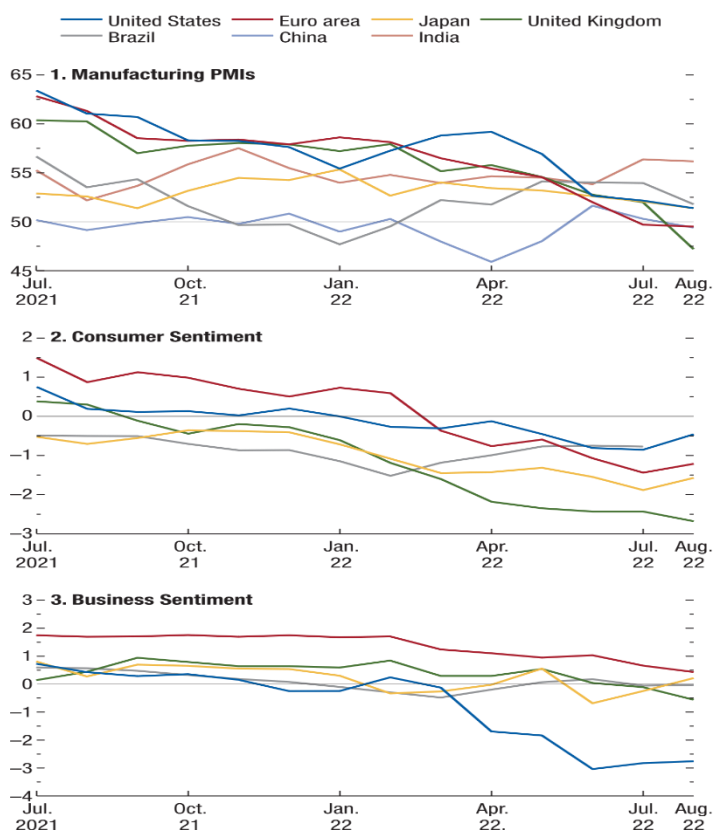
Warding off these risks starts with monetary policy staying the course to restore price stability. As demonstrated in Chapter 2, front-loaded and aggressive monetary tightening is critical to avoid inflation de-anchoring as a result of households and businesses basing their wage and price expectations on their recent inflation experience. Fiscal policy's priority is the protection of vulnerable groups through targeted near-term support to alleviate the burden of the cost of- living crisis felt across the globe. But its overall stance should remain sufficiently tight to keep monetary policy on target. Addressing growing government debt distress caused by lower growth and higher borrowing costs requires a meaningful improvement in debt resolution frameworks. With tightening financial conditions, macro prudential policies should remain on guard against systemic risks. Intensifying structural reforms to improve productivity and economic capacity would ease supply constraints and in doing so support monetary policy in fighting inflation. Policies to fast-track the green energy transition will yield long-term payoffs for energy security and the costs of ongoing climate change. As Chapter 3 shows, phasing in the right measures over the coming eight years will keep the macroeconomic costs manageable. And last, successful multilateral cooperation will prevent fragmentation that could reverse the gains in economic well-being from 30 years of economic integration.

## Inflation and Uncertainty

The world is in a volatile period: economic, geopolitical, and ecological changes all impact the global outlook. Inflation has soared to multi decade highs, prompting rapid monetary policy tightening and squeezing household budgets, just as COVID-19-pandemic-related fiscal support is waning. Many low-income countries are facing deep fiscal difficulties. At the same time, Russia’s ongoing war in Ukraine and tensions elsewhere have raised the possibility of significant geopolitical disruption. Although the pandemic’s impact has moderated in most countries, its lingering waves continue to disrupt economic activity, especially in China. And intense heat waves and droughts across Europe and central and south Asia have provided a taste of a more inhospitable future blighted by global climate change.

Amid these volatile conditions, recent data releases confirm that the global economy is in a broad-based slowdown as downside risks—including risks highlighted in the July 2022 World Economic Outlook (WEO) Update—materialize, although with some conflicting signals. The second quarter of 2022 saw global real GDP modestly contract (growth of –0.1 percentage point at a quarterly annualized rate), with negative growth in China, Russia, and the US, as well as sharp slowdowns in eastern European countries most directly affected by the war in Ukraine and international sanctions aimed at pressuring Russia to end hostilities. At the same time, some major economies did not contract—euro area growth surprised on the upside in the second quarter, led by growth in tourism-dependent southern European economies. Forward-looking indicators, including new manufacturing orders and sentiment gauges, suggest a slowdown among major economies (Figure 1.1). In some cases, however, signals conflict—with some indicators showing output weakness amid labor market strength.

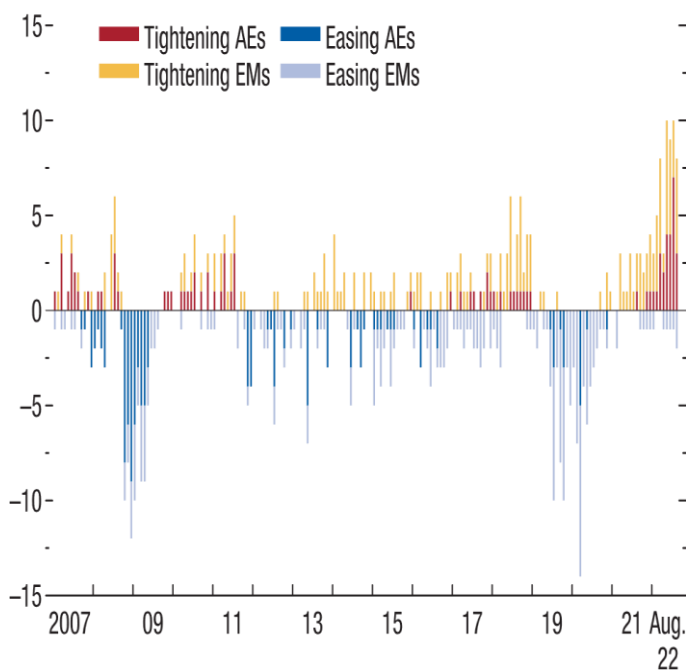
**Figure 1.1. Leading Indicators Show Signs of Slowdown**  
(Indices)



Sources: Haver Analytics; and IMF staff calculations.  
Note: For panel 1, purchasing managers’ indices (PMIs) greater than 50 denote expansion. In panels 2 and 3, values are normalized z-scores.

**Figure 1.2. Change in Monetary Policy Cycle among G20**  
Economies

(Number of increases and cuts in policy rates)



Sources: Bloomberg Finance L.P.; and IMF staff calculations.  
Note: AEs = advanced economies; EMs = emerging market economies.

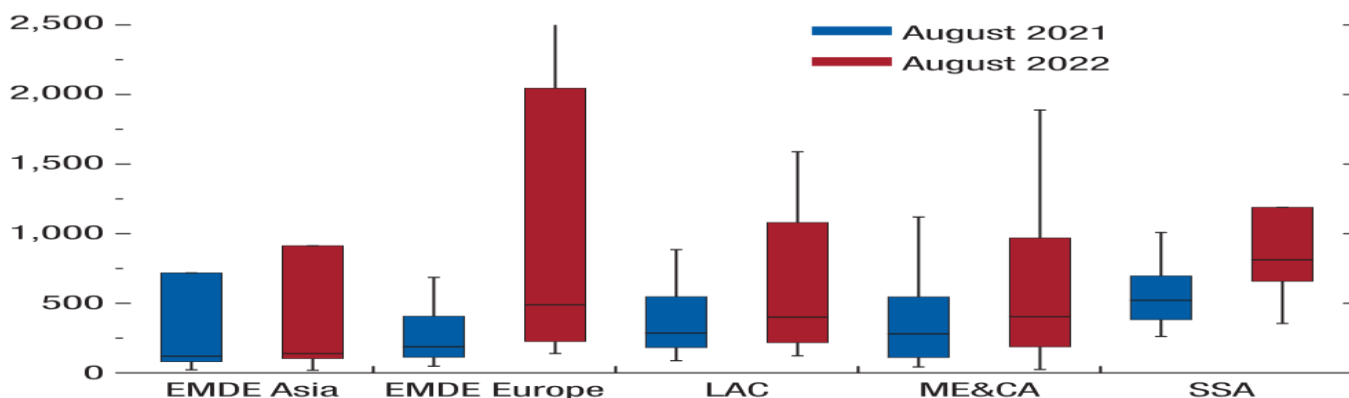
An important factor underpinning the slowdown in the first half of this year is the rapid removal of monetary accommodation as many central banks seek to moderate persistently high inflation (Figure 1.2). Higher interest rates and the associated rise in borrowing costs, including



mortgage rates, are having their desired effect in taking the heat out of domestic demand, with the housing market showing the earliest and most evident signs of slowdown in such economies as the US. Monetary policy tightening has been generally—although not everywhere—accompanied by a scaling back of fiscal support, which had previously propped up households’ disposable incomes. Broadly speaking, nominal policy rates are now above pre-pandemic levels in both advanced and emerging market and developing economies. With elevated inflation, real interest rates have generally not yet reverted to pre-pandemic levels. Tightening financial conditions in most regions, with the notable exception of China (October 2022 *Global Financial Stability Report*), reflected in a strong real appreciation of the US dollar. This has also driven up yield spreads—the difference between countries’ US dollar- or euro-denominated government bond yield and US or German government bond yields—for debt-distressed lower- and middle-income economies (Figure 1.3). In sub-Saharan Africa, yield spreads for more than two-thirds of sovereign bonds breached the 700 basis point level in August 2022—significantly more than a year ago. In eastern and central Europe, the effects of the war in Ukraine have exacerbated the shifting global risk appetite.

Beyond monetary policy alone, China’s COVID-19 outbreaks and mobility restrictions as part of the authorities’ zero-COVID strategy and Russia’s invasion of Ukraine have also pulled down economic activity. China’s lockdowns have imposed sizable constraints domestically and gummed up already strained global supply chains. The war in Ukraine and deepening cuts to supplies of gas to Europe have amplified preexisting stresses in global commodity markets, driving natural gas prices higher once more (Figure 1.4). European economies—including the largest, Germany—are exposed to the impact of the gas supply cuts. Continued uncertainty over energy supplies has contributed to slower real economic activity in Europe, particularly in manufacturing, dampening consumer and, to a lesser extent, business confidence (Figure 1.1). However, a strong recovery in the tourism-dependent southern economies helped deliver better-than-anticipated overall growth in the first half of 2022.

**Figure 1.3. EMDE Sovereign Spreads**  
(Basis points)

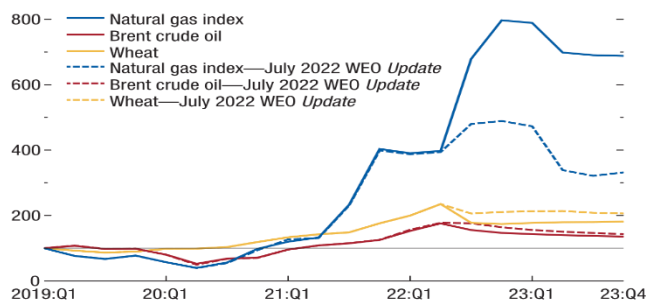


Sources: Bloomberg Finance L.P.; and IMF staff calculations.

Note: For each region, box denotes upper quartile, median, and lower quartile of the members, and whiskers show maximum and minimum values within the boundary of 1.5 times interquartile range from upper and lower quartiles. Y-axis is cut off at 2,500 basis points. EMDE = emerging market and developing economy; LAC = Latin America and the Caribbean; ME&CA = Middle East and Central Asia; SSA = sub-Saharan Africa.

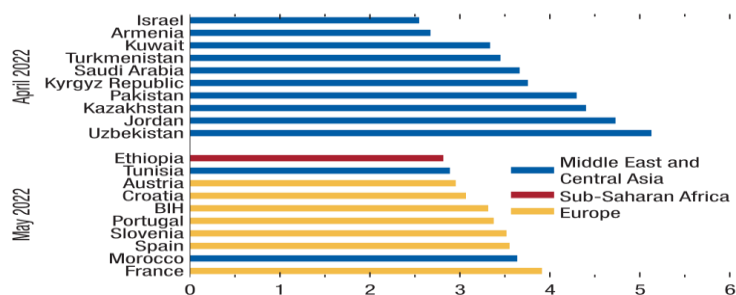
**Food prices**—a prime driver of global inflation so far this year—have provided a rare slice of good news, with futures prices falling (Figure 1.4) and the Black Sea grain deal giving some hope of improved supply in coming months. More generally, some signs show that commodity prices might be starting to ease off as global demand slows, helping to moderate inflation. However, recent extreme heat waves and droughts are a stark reminder of the near-term threat from climate change and its likely impact on agricultural productivity (Figure 1.5). Although a slight rebound is forecast for the second half of the year, full-year growth in 2022 will likely fall far short of average pre-pandemic performance and the strong growth rebound in 2021. In 2022, the world economy is predicted to be 3.2 percent larger than in 2021, with advanced economies growing 2.4 percent and emerging market and developing economies growing 3.7 percent. The world economy will expand even more slowly in 2023, at 2.7 percent, with advanced economies growing 1.1 percent and emerging market and developing economies 3.7 percent. Three key factors critically shape this economic outlook: monetary policy’s stance in response to elevated inflation, the impact of the war in Ukraine, and the ongoing impact of pandemic-related lockdowns and supply chain disruptions. The following sections discuss each of these forces in turn before presenting the outlook in detail.

**Figure 1.4. Wholesale Food and Fuel Prices Expected to Moderate**  
(Index, January 2019 = 100)



Source: IMF staff calculations.  
Note: Natural gas index comprises European, Japanese, and US natural gas price indices. WEO = *World Economic Outlook*.

**Figure 1.5. Mean Land Temperature**  
(Degrees Celsius; departures from 1960–91 normal)



Sources: Osborn and others (2021); and IMF staff calculations.  
Note: Figure shows deviation from 1960 to 1991 normal monthly temperatures and hottest 10 countries by month. BIH = Bosnia and Herzegovina.

(Source-

<https://www.imf.org/en/Publications/WEO/Issues/2022/10/11/world-economic-outlook-october-2022>)

## INDIAN ECONOMY OVERVIEW

### Introduction

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

### Market size

- India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY2021-22,
- India is the third-largest unicorn base in the world with more than 100 unicorns collectively valued at US\$ 332.7 billion.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
- According to data from the Department of Economic Affairs, as of July 15, 2022, foreign exchange reserves in India reached the US\$ 572.71 billion mark.
- According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

### Recent Developments

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

- As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crore (US\$ 17.92 billion).
- Between April 2000-June 2022, cumulative FDI equity inflows to India stood at US\$ 604,996 million.

- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US\$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

## Government Initiatives

The Government of India has taken several initiatives to improve the economic condition of the country. Some of these are:

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed artificial intelligence (AI) products and technologies during the first-ever "AI in Defence" (AIDef) symposium and exhibition, organised by the Ministry of Defence in New Delhi on July 11, 2022.
- In June 2022:
  - Prime Minister Mr. Narendra Modi, laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
  - The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan the National Highway Network will develop 25,000 km of new highways network which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.



- In February 2022, Ms. Nirmala Sitharaman Minister for Finance & Corporate Affairs said that productivity linked incentive (PLI) schemes to be extended to 14 sectors for achieving the mission of AtmaNirbhar Bharat and create 60 lakh (6 million) and an additional production of Rs. 30 lakh crore (US\$ 401.49 billion) in the next 5 years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022 Finance Minister Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G will be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which is expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement to spectrum sharing.
- In the Union Budget of 2022-23 the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that Reserve Bank of India (RBI) will issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of “One Station, One Product” was also introduced.
- To boost competitiveness Budget 2022 has announced to reform the 16-year-old Special Economic Zone (SEZ) act to enhance competitiveness this will be done to make it compatible with the World Trade Organisation (WTO).
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- To boost the overall audit quality, transparency and add value to businesses, in April 2021, the RBI issued a notice on new norms to appoint statutory and central auditors for commercial banks, large urban co-operatives and large non-banks and housing finance firms.
- In May 2021, the Government of India has allocated Rs. 2,250 crore (US\$ 306.80 million) for the development of the horticulture sector in 2021-22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally and increasing digital literacy.
- On January 29 2022 the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian Economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23, it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next 3 years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.

- In August 2021, NITI Aayog and Cisco collaborated to encourage women's entrepreneurship in India.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In June 2021, RBI Governor, Mr. Shaktikanta Das announced the policy repo rate unchanged at 4%. He also announced various measures including Rs. 15,000 crore (US\$ 2.05 billion) liquidity support to contact-intensive sectors such as tourism and hospitality.
- In June 2021, Finance Ministers of G-7 countries, including the US, the UK, Japan, Italy, Germany, France and Canada, attained a historic contract on taxing multinational firms as per which the minimum global tax rate would be at least 15%. The move is expected to benefit India to increase foreign direct investments in the country.
- In June 2021, the Indian government signed a US\$ 32 million loan with World Bank for improving healthcare services in Mizoram.
- In May 2021, the Government of India (GoI) and European Investment Bank (EIB) signed the finance contract for second tranche of EUR 150 million (US\$ 182.30 million) for Pune Metro Rail project.
- According to an official source, as of September 15, 2021, 52 companies have filed applications under the Rs. 5,866 crore (US\$ 796.19 million) production-linked incentive scheme for the white goods (air conditioners and LED lights) sector.
- In May 2021, Union Cabinet has approved the signing of memorandum of understanding (MoU) on migration and mobility partnership between the Government of India, the United Kingdom of Great Britain and Northern Ireland.
- In April 2021, Minister for Railways and Commerce & Industry and Consumer Affairs, Food & Public Distribution, Mr. Piyush Goyal, launched 'DGFT Trade Facilitation' app to provide instant access to exporters/importers anytime and anywhere.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is going to increase public health spending to 2.5% of the GDP by 2025.

## Road Ahead

As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India's output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India's real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus at 0.9% of the GDP. The growth in the economic recovery is due to the government's continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities.

As per RBI's revised estimates of July 2021, the real GDP growth of the country is estimated at 21.4% for the first quarter of FY22. The increase in the tax collection, along with government's budget support to states, strengthened the overall growth of the Indian economy.

India is focusing on renewable sources to generate energy. It is planning to achieve 40% of its energy from non-fossil sources by 2030, which is currently 30% and have plans to increase its renewable energy capacity from to 175 gigawatt (GW) by 2022. In line with this, in May 2021, India, along with the UK, jointly launched a 'Roadmap 2030' to collaborate and combat climate change by 2030.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 as per a report by PricewaterhouseCoopers.

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

## Rubber Industry

### Global Scenario

Natural Rubber is a commercial plantation crop from the tree species, *Hevea brasiliensis* is grown in tropical humid climatic conditions.



Thailand, Indonesia, Malaysia, Vietnam, China and India are the major Natural Rubber producers globally. The current world production and consumption of NR is around 12.40 million tonnes and 12.60 million tonnes respectively. The major Natural Rubber consumers are China, India, USA, Japan, Thailand, Indonesia and Malaysia. Rubber is largely perceived as a strategic industrial raw material and accorded special status globally for defence, national security and industrial development. Major consuming countries keep strategic reserves of Natural Rubber.

Rubber is an internationally traded commodity and price of rubber is influenced inter alia by trends in economic growth, production in major producing countries and demand in major consuming countries. Domestic Natural Rubber prices generally follow the trends in the international market and is therefore, subjected to fluctuations in price.

### **Indian Scenario**

Indian rubber industry is characterized by the co-existence of a well-established rubber production sector and a fast growing rubber products manufacturing and consuming sector. The Rubber Industry value chain begins from Natural Rubber plantations and ends with a huge range of dry rubber and latex based products. Historically, Natural Rubber was a regulated commodity with strong tariff protection and domestic market regulations. The key factors which have contributed to the growth of Indian rubber industry are positive intervention of institutional agencies aiming at self-sufficiency and import substitution.

Finance Minister announcement in Budget of 2020 for Infrastructure development of Rs. 50,000 crore will be done for evacuation of enhanced Coal India Limited's (CIL) target of 1 billion tons coal production by 2023-24 plus coal production from private blocks. This will include Rs 18,000 crore worth of investment in mechanised transfer of coal (**Conveyor Belts**) from mines to railway sidings. This measure will also help reduce environmental impact.

Most of the rubber products including tyres require blends of Natural Rubber and Synthetic Rubber. Consumption of SR is mainly determined by end product composition, technological change and relative prices. Consumption of SR in India in rubber products manufacturing sector increased from 411,830 tonne in 2010-11 to 633,975 tonne in 2017-18. Currently, there are four companies producing SR and production increased from 110,340 tonne in 2010-11 to 331,221 tonne in 2017-18. Styrene Butadiene Rubber and Poly Butadiene Rubber accounted for 63% and 34% of SR production in the country. Import of SR amounted to 338,189 tonne in 2017-18. Consumption of SR in India is projected to reach 1.2 million tonne by 2025.

### **Production and Consumption**

India is currently the sixth largest producer of Natural Rubber in the world with one of the highest productivity (694,000 tonnes in 2017-18). The production capacity in India is around 900,000 tonnes, of which around 75% is tapped. Out of the total area under rubber in India of around 822,000 ha, 614,500 ha is a mature yielding crop. Traditional rubber-growing states comprising Kerala and Tamil Nadu account for 81% of production. Major non-traditional rubber growing regions are the North Eastern states of Tripura, Assam and Meghalaya, Odisha, Karnataka, Maharashtra and West Bengal. Sheet rubber is the most preferred form of processing accounting for around 70% of processed rubber. Block rubber and latex comprise 17% and 12% respectively of rubber production in the country.

India is the 2nd largest consumer of Natural Rubber globally with current consumption of around 1.1 million tonnes. Sheet rubber, block rubber and latex account for 47%, 43% and 8% respectively in Natural Rubber consumption. Around 40% of the total Natural Rubber consumption in India is at present met from import of rubber. 68% of Natural Rubber consumption in India is in the automotive tyre sector.

### **Strengths and Challenges of Indian Rubber Sector**

The major strengths of the sector include existence of a domestic rubber products manufacturing industry capable of consuming the entire Natural Rubber produced in the country, vast areas in non-traditional regions suitable for rubber cultivation, strong and systematic rubber research, well-knit extension network and grower forums comprising Rubber Producers Societies (RPS), Self Help Groups (SHGs), RPS companies and Cooperatives.

The sector also faces many challenges, some of which are sub-optimal agro-climatic conditions and adverse impact of climate change, saturation of area for new planting in traditional regions, agro-climatic, topographic, social, cultural, institutional and infrastructure constraints in non-traditional regions, global price volatility and low-price situations, and its repercussions on production, lack of competitiveness, stagnation in the growth of Non-Tyre Rubber manufacturing sector etc.

### **Sustainability in Production**

Self-sufficiency had been the main focus of development plans in Natural Rubber sector till the last decade. Though importance of self-sufficiency cannot be reduced, competitiveness and sustainability have to be considered while setting up goals and formulating strategies pertaining to Rubber production in the country. Natural Rubber consumption in the country in 2030 is projected at around 2.00 million tonne. It is envisaged that the domestic production is able to meet at least 75% of the Natural Rubber requirement in 2030. In order to attain the projected production, average annual new planting and replanting would be to the tune of at least 8,000 ha and 10,000 ha respectively. Efforts would be made to get all the available mature area under rubber tapped.

### **Rubber consumption and Export of Rubber Products**

Rubber consumption is the direct indicator of rubber-based industrialisation. Though India is the second largest consumer of NR in the world, per capita consumption of rubber as a whole is just around 1.2 kg as compared to 6.5 kg in China and the global average rubber consumption of 3.6 kg. End product range of rubber covers more than 50,000 items, which are used far and wide in various industries like transport, health, households, sports, entertainment etc. Consumption of rubber shall be promoted for the overall development of the rubber industry value chain.

Demand for tyres originates from the vehicle/automobile manufacturers for fitment on new vehicles (Original Equipment Manufacture supplies), vehicle population which is already on the road (replacement or aftermarket) as well as export. In some categories like passenger cars, motorcycle tyres, etc. the share of Original Equipment Manufacture's is more than 50% of total supplies. The future potential can be gauged from the present low automobile penetration in India. Growth in production and fitment of tyres is directly linked to the growth in GDP, particularly growth in infrastructure (for commercial tyres) and income levels (for passenger tyres). Tyre sector is poised to record notable growth in near future contributed by increase in GDP and export prospects.

General rubber goods sector is dominated by Micro Small and Medium Enterprises (MSME). However, the versatility of these products, their potential in terms of huge domestic and external markets and relatively high employment potential are to be considered in according high policy priorities to the sector. General rubber goods sector also requires special attention with regard to research and development activities, technology upgradation and transfer, machinery import, export promotion, branding, quality enhancement, skill development etc.

Promotional activities in rubber product manufacturing are mainly undertaken by Ministry of MSME, Department for Promotion of Industry and Internal Trade (DPIIT) and Industries Departments of state governments. There is no designated national level agency to assist rubber products manufacturing sector. A Rubber Industry Development Plan may be formulated in consultation with other relevant Ministries/Departments and Rubber Board. Initiatives of grower forums in manufacturing value added rubber products will be supported.

Rubber Parks are areas publicly procured, zoned and planned for the purpose of rubber based industrial development wherein infrastructure and common facilities are provided and single windows for clearances are established. Development of Rubber Parks as processing hubs would be promoted in the private sector or under PPP mode.

Several studies have highlighted significant advantages of rubberised roads over normal roads and it is inferred that though there is a marginal increase in the initial cost, periodic maintenance of these roads can be reduced by 35% compared to that of the bituminous roads. Natural Rubber latex and crumb powder made from end-of-life tyres can be used for modification of asphalt for road rubberisation. Promotion of Road Rubberisation would have twin advantages of boosting rubber consumption and infrastructure durability in the long run.

An independent Rubber Products Export Promotion Council could be considered to be constituted in order to address the export related issues of the Rubber Products Sector (both tyres and General rubber goods) and also to specifically handhold the manufacturers belonging to MSME sector which is highly essential in the present scenario. Further, export oriented clusters would be identified and specific strategies would be framed for giving the focused boost in exports.

(Source: [https://commerce.gov.in/hi/wp-content/uploads/sites/2/2020/02/NTESCL637038876015166279\\_National-Rubber-Policy-2019\\_Hindi.pdf](https://commerce.gov.in/hi/wp-content/uploads/sites/2/2020/02/NTESCL637038876015166279_National-Rubber-Policy-2019_Hindi.pdf))



## The Trend

Natural Rubber (NR) production increased by 7.0 % to 76,000 tonnes during September 2022 from the quantity of 71,000 tonnes produced during the same month a year ago. The total production during the first half of the fiscal 2022-'23 was increased by 4.3% to 339,000 tonnes from 325,000 tonnes produced during the same period in the previous year. Preliminary estimate for October 2022 was 86,000 tonnes, increased by 13.2% from the quantity produced during September 2022.

Rubber goods manufacturing industry in the country consumed a quantity of 110,000 tonnes of NR during September 2022, increased by 3.8% from 106,000 tonnes consumed during August 2022, and the total quantity of NR consumed during April'22 to September 2022 increased by 8.4% at 683,000 tonnes compared to 630,000 tonnes consumed during the same period last year. This represents a positive growth of 4.5% in auto tyre sector and 19.4% in general rubber goods sector. According to the preliminary estimate, the country has consumed 105,000 tonnes of NR during October 2022.

The country imported 54,073 tonnes of NR during September 2022 and the total quantity of NR landed in the country during the first half of the year 2022-'23 was 281,591 tonnes compared to 236,598 tonnes during the same period a year ago. India exported 148 tonnes of NR during September 2022 and the total volume of NR exported during April to September 2022 was 1505 tonnes compared to 2421 tonnes exported during the same period in the previous year.

Based on the above estimated figures of production, consumption, import and export, the total stock held by all stake holders of the industry at the end of September 2022 is estimated at 360,000 tonnes. The domestic Synthetic production decreased by 2.3% year-over-year to 242,172 tonnes during the first half of the year 2022-'23, while the domestic consumption of SR increased by 6.4% yearover-year to 390,030 tonnes during the same period.

<b>PRODUCTION AND CONSUMPTION OF NR &amp; SR</b>						
<b>(Tonnes)</b>						
<b>Type-wise Production &amp; Consumption of NR &amp; SR</b>	<b>September 2022</b>	<b>September 2021</b>	<b>April 2022 to September 2022</b>	<b>April 2021 to September 2021</b>	<b>April 2021 to March 2022</b>	<b>Percentage increase (+)/ decrease (-) of (3) &amp; (4)</b>
	<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>	<b>(6)</b>
<b>PRODUCTION</b>						
<b>Natural Rubber (NR)</b>						
Ribbed Smoked Sheet (RSS)	50150	45370	203930	204150	491090	
Solid Block Rubber	14450	13990	77710	68240	155125	
Latex Concentrates (drc)	9420	9890	48130	43940	109250	
Others	1980	1750	9230	8670	19535	
<b>Total</b>	<b>76000</b>	<b>71000</b>	<b>339000</b>	<b>325000</b>	<b>775000</b>	<b>4.3</b>
<b>Synthetic Rubber (SR)<sup>P</sup></b>						
Styrene Butadiene (SBR)	23560	24915	129857	142050	279295	
Poly Butadiene(BR)	11000	9600	60500	67100	133000	
Others	7340	7400	51815	38800	72870	
<b>Total</b>	<b>41900</b>	<b>41915</b>	<b>242172</b>	<b>247950</b>	<b>485165</b>	<b>-2.3</b>
<b>Total NR &amp; SR</b>	<b>117900</b>	<b>112915</b>	<b>581172</b>	<b>572950</b>	<b>1260165</b>	<b>1.4</b>



<b>CONSUMPTION *</b>						
<b>Natural Rubber (NR)</b>						
Ribbed Smoked Sheet (RSS)	46780	42000	277490	270080	516275	
Solid Block Rubber	53500	52600	342385	296590	594160	
Latex Concentrates (drc)	7020	9150	46545	48655	100050	
Others	2700	2250	16580	14675	27515	
<b>Total</b>	<b>110000</b>	<b>106000</b>	<b>683000</b>	<b>630000</b>	<b>1238000</b>	<b>8.4</b>
Out of which Auto Tyre Manufacturers	76685	78434	484846	464067	904574	4.5
<b>Synthetic Rubber (SR)<sup>P</sup></b>						
Styrene Butadiene (SBR)	33400	33470	204730	191010	376080	
Poly Butadiene(BR)	20075	19400	121125	112025	222925	
Others	10525	10280	64175	63410	124140	
<b>Total</b>	<b>64000</b>	<b>63150</b>	<b>390030</b>	<b>366445</b>	<b>723145</b>	<b>6.4</b>
Out of which Auto Tyre Manufacturers	43179	43923	269449	260744	507963	3.3
<b>Total NR &amp; SR</b>	<b>174000</b>	<b>169150</b>	<b>1073030</b>	<b>996445</b>	<b>1961145</b>	<b>7.7</b>
Out of which Auto Tyre Manufacturers	119864	122357	754295	724811	1412537	4.1

(Source : <http://rubberboard.org.in/rbfilereader?fileid=780>)

### **Indian Rubber Industry**

The Rubber industry has established itself as a major industry in India. In a few years time India is likely to become the second largest global player in this sector. India ranks high in natural rubber production. It is largely produced in Kerala but its production is growing in North-East India. Both Natural rubber and synthetic rubber play a complimentary role in providing the desired end properties to final rubber products made of it. The share of synthetic rubber in total rubber consumption in India is around 30% while the world average is 65%. As such the Government encourages establishment and development of synthetic rubber plants in India. Indian domestic market has the capacity to consume the entire indigenous production of natural rubber.

India is the fourth largest consumer of all rubber globally, next to China, USA & Japan. Per capita consumption of rubber in India currently is at 1.2 Kilograms versus a global average of 3.2 Kilograms. China is at 8 Kilograms (2014) and developed countries are at 13 Kilograms. Growth in natural rubber consumption in India is at 3-4% year over year and that for synthetic rubber at 15-20% since the past 5 years. This reflects the potential that exists for the growth of the industry in India which could be met by imports coupled with local manufacturing.

The constituents of the Indian Rubber industry manufacture more than 35,000 rubber products for different uses and applications. Involving different kinds of natural rubber, synthetic rubber and reclaimed rubber, the value-added rubber products include Tyres and Tubes, Automobile Rubber Parts, Belts and Beltings, Cables, Cots and Aprons, Rubber and Canvas footwear, Fenders, Gaskets, Hygienic & Pharmaceutical rubber goods, Mattings, Sports Goods, Rollers etc. Sub-sectors of each of the above have a large variety of rubber products. In fact, in India tyres and auto rubber parts segments are driving the auto sector growth.

India is the fourth largest commercial vehicles market and the second largest two-wheeler market globally and is poised to become a global automobile hub. The new thrust being given by the Government for development of road infrastructure has led to 33 per cent increase in bus production in two years.

100% Foreign Direct Investment (FDI) is allowed in the rubber goods industry of India by the Indian government. With the saturation in rubber consumption in Western countries and the shift in consumption of rubber to the Asia Pacific region, the focal points for this decade of development will be India. Indian rubber products are exported to around 190 countries in the world.

### **Emerging rubber sector globally- India's potential contribution**

**Industrial Rubber Products** - Global demand is stated to be led by growth in key OEM markets, particularly motor vehicles, and after market demand due to strong emerging developing nations. Global market is projected to rise 5.8% per annum to \$ 140 billion in 2016.

**Mechanical rubber goods** - which include such products as body seals, vibration control devices, and wiper blades are expected to remain the largest product segment through 2016 by far. These products are employed heavily in motor vehicles, and segment growth will be largely attributable to the sanguine outlook for global automotive output.

**Rubber belts and hoses** will see the fastest gains of any product segment during that span, bolstered by an improving outlook for pricing relative to mechanical goods.

**Rubber Gloves:** The global demand has increased due to recent regulations on occupational safety. The demand is expected to grow by 10% per annum.

(Source: <https://www.wb.gov.in/business-rubber-industry.aspx> )

## **BUSINESS OVERVIEW**

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year.

In this section, a reference to the “Company” or “we”, “us” or “our” means Pentagon Rubber Limited. All financial information included herein is based on our “Financial information of our company” included on page 153 of this Draft Red Herring Prospectus.

### **Overview**

Our Company was originally incorporated on April 26, 2004 as “Pentagon Rubber Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Punjab, H.P. & Chandigarh. Subsequently our Company was converted into Public Limited Company and name of company was changed from “Pentagon Rubber Private Limited” to “Pentagon Rubber Limited” vide fresh certificate of incorporation dated December 28, 2022 issued by the Registrar of Companies, Chandigarh.

Our Company is an ISO 9001:2015 and engaged in manufacturing of Rubber Conveyor Belt, Transmission Belts, Rubber Sheets and Elevator Belts. Our products are ever evolving & continually perfected using latest developments in raw materials. Our competence and expertise to Business-to-Business partners in a number of areas. This is carried from our material handling and ore transportation systems across to complete system integration, and we offer our products which meet the quality benchmark of various industries.

We have set up our manufacturing plant and managed under able guidance of a pool of seasoned professionals, the organisation has installed the best quality infrastructure and facilities. With a wide-spread network of stockiest and importers, we have expanded our business relations across boundaries having earned a good clientele in many countries. Our Company operates from its Registered Office situated Gulabgarh Road, Village Behra Dist. S.A.S. Nagar Derabassi Mohali Punjab-140507.

The manufacturing unit of Pentagon Rubber Limited is located in Dera Bassi, Punjab, which is 25 KMS from Chandigarh city. We have installed one of the longest conveyor belting presses in India, with a production capacity of 21mtr in a single stroke. This technology allows us to produce conveyor rubber belting up to 3150KN/m, making us one of the top manufacturers in India. The production capacity is over 300 sq km of conveyor rubber belt per year, and we have a modern laboratory of international standards that can produce conveyor belts as per DIN, BS, IS, ISO, SABS, AS, GOST, and CAN standards. We have a complete QAP & QC system that is followed in our manufacturing process, which includes rigorous and complete testing of in-process belts and finished belts.

Our manufacturing plant is managed by a team of experienced professionals. We have invested in top-of-the-line infrastructure and facilities to ensure the highest quality products. Our business has expanded domestically & globally through our approved vendor Status with various government & multinational corporations and importers, and we have earned a strong reputation and a loyal client base domestically & across many countries.

The experience and expertise of our team enables us to always offer the best product & solution to our clients. Over the years, we have bagged many prestigious Awards, which include Export Merit Award, Special Domestic Sales Awards and Top Domestic Sales Award from all India Rubber Industries association. This is an acknowledgment of our superior quality products & process controls.

Our Promoter Mr. Ashish Jain, Mr. Anil Jain, Mr. Saurabh Jain and Mr. Lalit Jain who have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning. We have a strong management team with significant industry experience. Our Chairman and Managing Director, Mr. Ashish Jain, Whole –Time Directors, Mr. Anil Jain & Mr. Saurabh Jain have 23, 37 and 19 years of experience respectively in Rubber industry, thus vast experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters and senior management team and their experience of over a decade in the industry in which our Company operates.

## **FINANCIAL SNAPSHOT:-**

Financial Snapshot of our Company as per Restated Standalone Financial Statements is as under: -

(₹ in Lakhs)

<b>Particulars</b>	<b>For the period ended September 30, 2022</b>	<b>For the period ended March 31, 2022</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Revenue from Operations	2103.80	3502.65	2316.39	1933.03
Total Revenue	2105.51	3511.59	2319.69	1939.25
EBITDA	255.09	428.98	238.32	213.16
PAT	140.56	308.66	110.30	93.81
PAT Margin (in %)	6.68%	8.81%	4.76%	4.85%

Note:-

1. EBITDA Margin = (Restated Profit before tax + finance cost + depreciation and amortization expenses)/ Total Revenue
2. PAT Margin = PAT/ Revenue from Operations

## **OUR STRENGTHS**

### ***Leveraging the experience of our Promoter***

Our Promoters, Mr. Ashish Jain, Mr. Ani Kumar Jain, Mr. Saurabh Jain and Mr. Lalit Jain are having vast experience in field of Rubber Conveyor Belt and experience which have contributed significantly to the growth of our Company. Under the management, our business has grown over the years and we have become a well-known name in the industry. Our management team is familiar with our business and understands our customers' needs and requirements. They are committed to the development of our business and will continue to spearhead our Company's business operations and future plans so as to ensure the continuing success of our Company.

### ***Existing client relationship***

Our Company has earned reputation based upon which we have been successful in retaining our reputed clients. We believe that we constantly try to address customer needs around our products offered by us in field of Rubber Conveyor Belting. Our existing customer relationship helps us to get repeat business from our customers. This has helped us maintain a long-term working relationship with our customers and improve our customer retention strategy. We believe that our relationship with the existing customers represents a competitive advantage in gaining new customers and increasing our business.

### ***Quality Assurance and Quality Control of our Products***

Quality Assurance and Quality Control are integral part of our manufacturing operations. We believe that Quality is an ongoing process of building and sustaining relationship. Our engineers inspect the entire process ensuring quality of our products is maintained. Our manufacturing facility has experienced and qualified staff to carry out quality check and inspections at all the stages of our manufacturing process. Our technical experts follow the protocol of incoming material quality control through physical and metallurgical parameters, process controls through product audit, process audit system audit and in-stage inspection at the final stage of pre dispatch control through qualified packing. Keeping in view of the expectations of our customers for the quality of our products, we take special care from procuring raw material to packing of finished goods.

### ***Customer satisfaction and revenues from long standing customer relationships***

We have long-standing relationships with our customers. This is, in part, due to the high criticality of our product and technical knowhow to many of our customer's business needs. We establish long-term relationships with our customers for multi-layered engagement with various departments and divisions of the customer's organizations. Our product offerings help us to cross-sell to our existing customers as well as to acquire new customers. We also conduct regular senior management reviews with our key customers to engage with them for feedback and future opportunities.

We combine our comprehensive range of product with industry-specific expertise to provide tailored solutions to our customers across business verticals, industries and geographies. Our commitment to customer satisfaction enables us to strengthen our relationships.

### ***Scalable Business Model***

Our business model is order driven, and comprises of optimum utilization of our existing resources. We believe that this business model has proved successful and scalable for us in the last few financial years. We have adequate capacity to scale upward and we also undertake aggressive marketing of our products along with maintaining superior quality.

## **OUR STRATEGIES**

### ***Leveraging our Market skills and Relationships***

Our goal is to build long-term sustainable business relationships with our customers to generate increasing revenues. We plan to continue to expand the scope by continuing to build our expertise and extending our capabilities. Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give excellence to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer base.

Our ability to maintain and improve the products we offer to customers enables us to generate stable revenue and minimize customer complaints. We now focus on upgrading the experience of customer to one of much greater engagement and satisfaction.

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

Our Company constantly endeavours to improve manufacturing process, and will increase manufacturing activities to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies for providing our products which enables us to identify the bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

We also intend to continue to build on our inclusive culture to ensure our employees remain engaged and committed to delivering exceptional service.

### ***Improving operational efficiencies***

Our Company aims to continue to improve ongoing operational effectiveness and efficiencies to achieve cost reductions including overheads. We believe that this can be done through continuous business process review and timely corrective measures in case of diversion and technology up gradation with proper analytics base. As a result of these measures, our company will be able to increase its market share and profitability

### ***To Build-Up a Professional Organization***

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks etc. We have a blend of the experience and the sufficient staff for taking care of our day-to-day operations. We also consult with external agencies on a case-to-case basis on technical and financial aspects of our business.

We will consistently put efforts among our group of experienced employees to transform them into an outstanding team of empowered professionals which will help in further accelerating the wheels of development of the Organization.

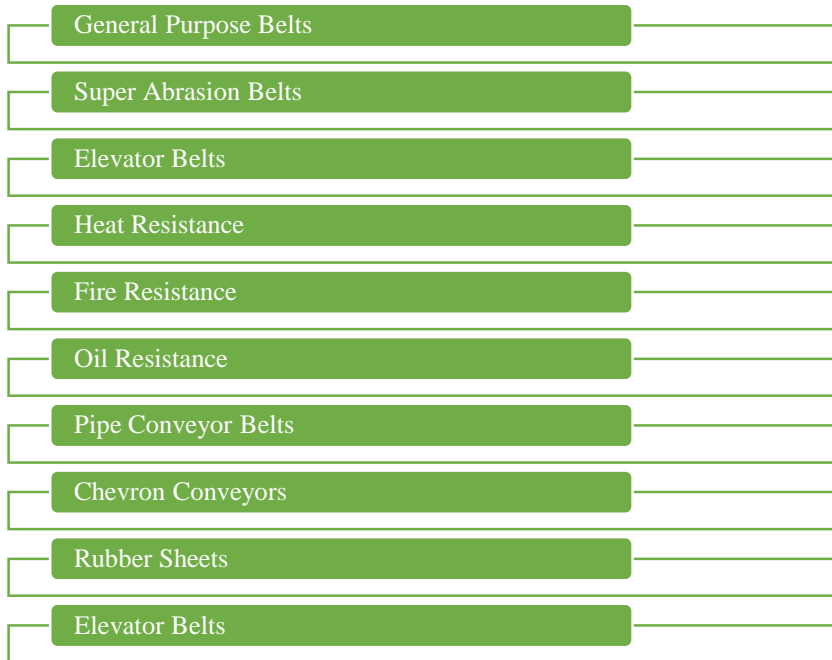
### ***Expansion of Business***

We intend to expand our geographical reach and enter the large domestic as well as global market for growth opportunities of our business. We plan to deepen our presence in the existing market and expand our reach and penetrate into the large available market by giving scale down low-price solution and grab major market share.

**OUR PRODUCTS:**

Our company mainly offers Conveyor Rubber Belting in various grades along with elevator belting, rubber sheets, chevron belts. We have installed one of the longest Conveyor Belting Press in India with 21mtr production capacity in single stroke. It is capable of producing the best conveyor rubber belting upto 3150 KN/m due to advanced precision systems.

**Types of Rubber Belts:**



**1. General Purpose Belts**

Conveyor Belts and Systems have been helping to ensure the prosperity and growth of the manufacturing industry globally since decades. These belts are meant to carry and convey material from point A to point B.

The design of general-purpose conveyor belts enables application in all areas of material handling. Due to the carcass construction and quality of cover, these belts are noted for their reliability and long life in all industrial applications, either for general purposes or handling of sharp-edged and extremely abrasive materials. They are reinforced with superior quality of Nylon and/or Polyester fabric. Our General-Purpose Rubber Belt Conveyors are designed from a special combination of natural & synthetic materials, selected textile fabrics and polymers.

**2. Super Abrasion Belts**

Super Abrasion Resistant are meant to exhibit superior cover protection to highly abrasive materials being conveyed. These belts are extensively used in mining and mining related industries, including steel, non-ferrous metal plants, cement plants, thermal power plants, quarrying and aggregate processing and several other industrial applications.

**3. Elevator Belts**

Elevator conveyor belts are designed for application in all areas of the belted-type elevators. Due to their carcass construction, they are known as an “endurance runner” and have proven to be reliable conveyor belts with a long service life. Elevator conveyor belts are the best solution from the technical and cost-efficiency point of view. They are smaller in width and have additional plies and are used upside down to support the weight of buckets which are bolted to the surface of these belts. Specifications of these belts generally



depends upon the weight of buckets to be bolted on these belts. Very common use of these belts is in the Rice Industry where rice is delivered from point to point & even conveying the final product to Silos where it is stored.

#### **4. Heat Resistance**

Heat Resistant Conveyor Belts are meant to exhibit high resistance towards hot materials with high temperature such as Pellets, Sinter, Cement, Powder, Chemicals and Fertilizers. The cover rubber of these belts are specially designed to provide heat transfer protection to the belt carcass and also improved tensile strength and abrasion resistance property to ensure long life of the belt.

#### **5. Fire Resistance**

Fire Resistant Conveyor Belts for surface applications are used for conveying coal in places such as thermal power plants and open cast coal mines for safety reasons. They don't allow fire to spread for long distances during material transportation in the mining process since they are made up of self-extinguishing covers. We follow various Indian & International Standards to manufacture the Fire-Resistant Belts

#### **6. Oil Resistance**

Oil Resistant Conveyor Belts are meant to impart resistance from conveyed materials which contain Grease, Oils and Fats. These belts aren't affected by fat and oil that may invite them to alter by swelling up and cause operational problems. Oil resistant grade conveyor belts are made from NBR Polymer and hence develop a high resistance towards oil absorption. We manufacture different types of OR (Oil Resistance) belts suitable for various industries.

#### **7. Pipe Conveyor Belts**

The Pipe type conveyor belt is suitable for use in tougher conditions and requires application of special tubular-type conveyors. Due to its special carcass construction, the belt runs like a tube which opens only when loaded and unloaded. The system remains closed and dust-tight even when bulk solids are conveyed in horizontal or vertical curves.

#### **8. Chevron Conveyors**

Conveyor belts with a smooth carrying surface are useful for conveying of packed and unpacked material up to the angle of inclination 22° as an upper limit. Chevron belts are the right belts to meet your requirements when higher angles of inclination are required. For this purpose, our experts have developed high-performance and high-quality Chevron and High-Chevron conveyor belts. They are noted for long service life and flexibility due to homogeneous Chevron profiles, which are vulcanised together with a base belt.

#### **9. Rubber Sheets**

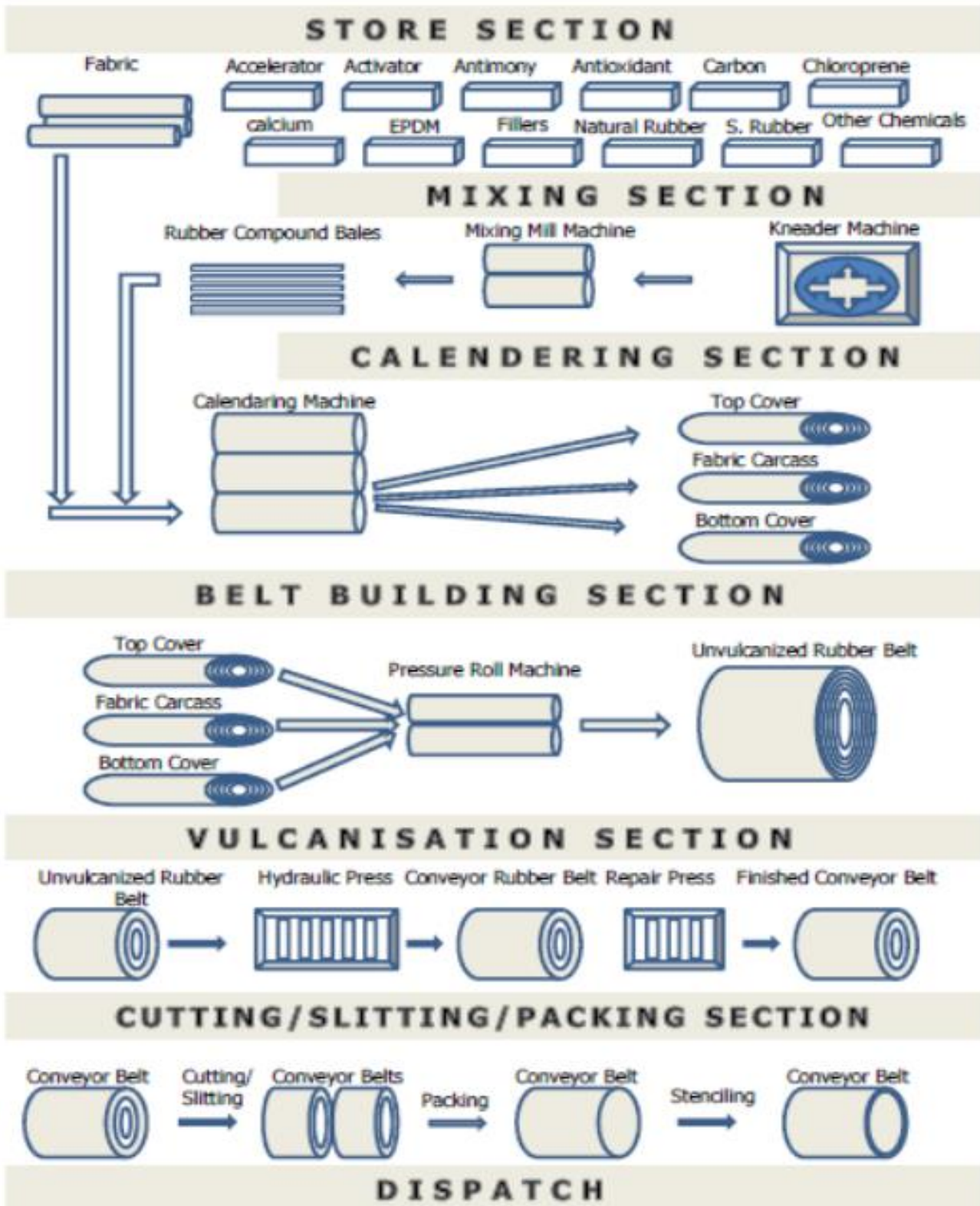
We specialized in superior quality Technical Rubber Sheets. Our Rubber Sheets are available in various elastomer types, dimensions and hardness grades. Our width is upto 1600mm of Natural, SBR, Nitrile, Neoprene, Butyl and EPDM Rubbers for Industrial applications as per the technical specifications required.

#### **10. Elevator Belts**

Elevator conveyor belts are designed for application in all areas of the belted-type elevators. Due to their carcass construction, they are known as an “endurance runner” and have proven to be reliable conveyor belts with a long service life. Elevator conveyor belts are the best solution from the technical and cost-efficiency point of view. They are smaller in width and have additional plies and are used upside down to support the weight of buckets which are bolted to the surface of these belts. Specifications of these belts generally depends upon the weight of buckets to be bolted on these belts. Very common use of these belts is in the Rice Industry where rice is delivered from point to point & even conveying the final product to Silos where it is stored.



## OUR MANUFACTURING PROCESS OF RUBBER BELTS



**OUR MANUFACTURING FACILITY**

Our laboratory is the very heart of Pentagon quality process. It is here that raw materials and finished products are consistently tested to ensure that our conveyer belts perform exactly as they are designed to do. New Generation conveyer belts can withstand from highly abrasive, razor sharp materials to ozone resistance, from extreme heat to extreme cold, from Low Rolling Resistance to Anti Stick Surfaces. Pentagon Conveyor Belts can just about handle everything.



**SWOT ANALYSIS: -**

**STRENGTHS**

- Experienced Promotors with decades of experience in Rubber Industry.
- Professionally Qualified & Skilled Promoters & Staff, loyal team.
- Cordial Relationship of many years with Customers.
- Huge Customer base of various Industries both Government & Multinational.
- Ability to control costs due to legacy business.

**WEAKENESSES**

- Strict policies of clients and Audit controls may pose hurdles

- Working-Capital Intensive Business

#### OPPORTUNITIES

- Tremendous Growth in world mining industry of Rare metals, EV battery metals & Coal.
- Huge Domestic Growth Potential in our segment with major investment from Government of India in Infrastructure Development.
- Power and cement industries also aiding growth in the metals and mining sector.
- Fertilizer Sector adding growth in Agriculture sector.
- Possibility of providing associated products along with main products offering

#### THREATS

- Increased Competition from Local & Big Players
- Labour availability
- Change in Government Policies

#### OUR REVENUE BREAKUP

Particulars	September 30, 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	(In Lakhs)	(In%)	(In Lakhs)	(In%)	(In Lakhs)	(In%)	(In Lakhs)	(In%)
Rubber Scarp	1.19	0.07	0.68	0.02	--	--	--	--
Rubber Belting	1316.50	62.57	2581.88	73.72	2188.43	94.48	1763.82	
Rubber Chemicals	786.11	37.36	918.65	26.22	118.22	5.10	18.00	
Fabric	--	--	1.46	0.04	--	--	--	--
Rubber Compound	--	--	--	--	8.09	0.35	150.60	7.80
Metal Scarp	--	--	--	--	1.65	0.07	0.61	0.03
<b>Total</b>	<b>2103.38</b>	<b>100.00</b>	<b>3502.64</b>	<b>100.00</b>	<b>2316.39</b>	<b>100.00</b>	<b>1933.03</b>	<b>100.00</b>

#### OUR CLIENT BASE

Our reach and presence in the industry can be comprehended by looking at our distinguished list of clientele. They have been dealing in their respected disciplines from years and we are honoured having considered by them as their solution providers throughout. Our clients are spread across wide variety of sectors. Our strategy is to seek new customers and at the same time secure additional engagements from existing customers by providing timely and improved services.

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

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

(Rs. in Lakhs)

Particular	September 30, 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %
<b>Top 5 customers</b>	1668.85	67.80%	2326.29	56.16%	1239.17	44.08	906.19	39.96%
<b>Top 10 customers</b>	2031.56	83.00%	3005.85	72.55%	1813.23	64.50%	1304.43	57.52%



## OUR ENGAGEMENT APPROACH WITH CLIENT

- 1. Government Procurement/Tenders** – Company is registered as approved vendor with various Maharatna, Navratna & Miniratna PSU's
- 2. OEM/Direct Vendor** – Company is registered with various MNC's and Major Corporate Groups.
- 3. Dealer Network** – Network of dealers across the length & Breadth of the country in major cities & mining areas. They look after the replacement market or smaller projects/companies. Also help us secure business in major corporates.
- 4. Exports** – We directly export to our buyers across the globe and over the years have expanded our presence in over 25 countries with major buyers in South America, Europe, Africa, Middle East & Asia.

## OUR LOCATIONS

<b>Registered Office &amp; Manufacturing Unit</b>	Gulabgarh Road, Village Behra Dist. S.A.S. Nagar Derabassi, Mohali, Punjab-140507, India
<b>Branch Office</b>	II <sup>nd</sup> floor, 51, Rani Jhansi Road, New Delhi-110055, India

## **PLANT & MACHINERY**

The below mentioned plant and machineries are installed at our manufacturing unit

<b>Sr. No.</b>	<b>Name of Major Machinery</b>
1.	Internal Kneader
2.	Mixing Mills KOBE, Japan
3.	Mixing Mills Idion, UK
4.	Rubberising Calender Mill
5.	Panel for Calender Machine
6.	Cooling Drums
7.	Belt Ply Jointing Machine
8.	Hydraulic Press
9.	Belt Slitting Machine
10.	EOT Cranes
11.	Crane Joist
12.	Thermax Thermopac
13.	Chimney
14.	Lathe Machine
15.	Air Compressors
16.	DG Generators
17.	Weighing Scale
18.	Mould for Conveyor Belt
19.	Stencil Cutting Machine
20.	Flammability Tester
21.	Specific Gravity Tester
22.	Tensile Strength Tester
23.	Muffle Furnace
24.	Hot Air Oven

## CAPACITY UTILIZATION

Name of Product	Total Capacity Installed (in mtr)	April to September, 2022		2021-22		2020-21		2019-20	
		Total Production (Meter)	Capacity Utilization (in %)	Total Production (Meter)	Capacity Utilization (in %)	Total Production (Meter)	Capacity Utilization (in %)	Total Production (Std. Size)	Capacity Utilization (in %)
Rubber Belting/ Rubber Sheet	240000	66761	28%	141233	59%	120714.7	50%	102318	43%

## COLLABORATIONS/ TIE – UPS/ JOINT VENTURES

Except as disclosed in this Draft Red Herring Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date of Draft Red Herring Prospectus.

## EXPORT AND EXPORT OBLIGATION

Our Company does not have any export obligation as on date. Following is the breakup of our export sales during last three years:

Particular	September 30, 2022		Fiscal 2022		Fiscal 2021		Fiscal 2020	
	Revenue	In %	Revenue	In %	Revenue	In %	Revenue	In %
Export Sales	--	--	150.02	4.28%	105.10	4.54%	171.50	8.88%
Domestic Sales	2103.80	100.00%	3352.62	95.72%	2211.29	95.46%	1761.53	91.12%

## UTILITIES AND INFRASTRUCTURE FACILITIES

Our registered office is located at Mohali, Punjab and branch office at New Delhi. All our offices and manufacturing units are equipped with machines, computer systems, servers, relevant software and other communication equipment's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

### Raw Material

The Company procure all raw material from the approved vendors across India which are large corporations and direct manufacturers of the raw material. We also directly import raw materials from overseas market against our Export Advance Licenses to remain competitive in the market.

### Power

The requirement of power for our operations, like power for lighting and operating the plant/machinery/equipment is met through the state electricity board and the power situation is good. Our company has also installed diesel generator sets for backup power supply. Our back-up diesel generators are crucial to our operations in case of power failures. We are planning to upgrade to Solar Power Systems for industrial consumption which is in the pipeline

### Water

Water is not a major requirement in our Industry, but we do have direct water underground bore well and enough water supply for consumption and storage for operations.

## HUMAN RESOURCES

Our Company believe that our employees are key contributors to our business success and its ability to maintain growth dependsto a large extent on our strength in attracting, training, motivating and retaining employees. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business. All

employees are directly employed and on payroll along with all government mandated norms & benefits.

As on September 30, 2022 our Company has 65 employees including Directors on payroll. The Breakup of Employees is as follows:-

Department	Employees
Management & Administration	09
Technical	16
Support Staff	40
<b>Total</b>	<b>65</b>

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growthplans.

## SALES AND MARKETING

We have some reputed companies in the industry as our customers. Our success lies in the strength of our relationship with our customers who have been associated with our Company for a long period. Our team through their vast experience and good rapport with clients owing to timely and quality delivery of service plays an instrumental role in creating and expanding a work platform for our Company. To retain our customers, our team regularly interacts with them and focuses on gaining an insight into the additional needs of such customers.

We have spread our presence to domestic markets with large sales potential, low infrastructure costs and the availability of professional expertise. We have experienced & skill management team to motivate the sub-ordinates & staff to step towards their achievements & organizational goals. With their efficient management skills & co-ordination with sub-ordinate, they are always working as a catalyst to encourage the entire team for the development & nourishment of the organization.


## COMPETITION

The rubber belting industry is unorganized, competitive and highly fragmented in India. We believe that the principal competitive factors include service quality, reliability, and price that are able to comprehensively address varying requirements of different customer segments and specific customer needs. We believe that our ability to compete effectively is primarily dependent on ensuring consistent service quality and timely services at competitive prices, thereby strengthening our brand over the years.

## PROPERTY

### Intellectual Property

Set forth below are the trademarks registered/abandoned/objected in the name of our Company under the Trademarks Act, 1999: -

S.No.	Description	Address of premises	Class	Application / Certificate Number	Issuing Authority	Date of application	Status
1.	PENTAGON	Pentagon Rubber Pvt. Ltd. Gulabgarh Road, Vill. Behra, Derabassi, Dist. S.A.S. Nagar - 140507, Punjab	7	Application no.: 5434300 Certificate No. 3131038	Trademarks Registry, Mumbai	May 03, 2022	Approved
2.	 PENTAGON	Pentagon Rubber Pvt. Ltd. Gulabgarh Road, Vill. Behra, Derabassi, Dist. S.A.S. Nagar - 140507, Punjab	7	Application no. 4844384	Trademarks Registry, Delhi	February 01, 2021	Objected



## Certifications

Set forth below are the certifications obtained in the name of our Company under the Quality certification:

S.No	Certification	Standard	Owner	Certificate No. & date
1.	ISO	ISO 9001:2015	Pentagon Rubber Pvt Ltd.	Certificate No. – 11625 Expiry Date: 04/12/2023

The Details of Domain Name registered on the name of the Company is: -

S.No	Domain Name	Sponsoring Registrar and ID	Registrant Name	Creation Date	Registry Expiry Date
1.	www.pentagonrubber.com	Registry Domain ID: 138270702_DOMAIN_COM-VRSN IANA ID: 82	Registrar URL: http://www.onlinenic.com Registrant Name: Pentagon Rubber Private Limited	27.12.2004	27.12.2027

## IMMOVABLE PROPERTY

Details of our properties are as follows: -

### Properties owned/Leased by the Company

S. No.	Details of the Property	Licensor/Lessor/Vendor	Owned/Leased	Consideration/ Lease Rental/ License Fees (in Rs.)	Use
1.	Gulabgarh Road, Village Behra Dist. S.A.S. Nagar Derabassi, Mohali, Punjab- 140507 India.	Healthy Bio Sciences Pvt. Ltd.	Owned	Sale Deed dated October 03, 2011 between Healthy Bio Sciences Pvt. Ltd. through its director Mr. Jasjot Singh and Pentagon Rubber Pvt Ltd. through its director Mr. Ashish Jain at a consideration of Rs. 80.00 Lakhs.	Registered Office & Manufacturing Unit
2.	II <sup>nd</sup> Floor, 51, Rani Jhansi Road, New Delhi- 110055, India	K K Rubber Co. India Pvt Ltd.	Leased	Lease Agreement dated October 20, 2022 between K K Rubber Co. India Pvt Ltd through its director Mr. Tushar Jain and Pentagon Rubber Pvt Ltd. through its director Mr. Anil Jain for period of 11 months commencing from November 01, 2022 years at monthly rent of Rs. 33075.00/- plus GST @18% .	Branch Office

## **KEY INDUSTRY REGULATIONS**

*The following description is a summary of the relevant regulations and policies as prescribed by the GoI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and Other Approvals” on page 205 of this DRHP.*

### **THE COMPANIES ACT**

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### **SEBI REGULATIONS**

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### **TAX RELATED REGULATIONS**

#### **Income Tax Act, 1961**

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30<sup>th</sup> September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### **Goods and Service Tax Act, 2017**

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states. Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the Central and State Governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as interstate transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST

## **Customs Act, 1962**

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code). Imported goods in India attract basic customs duty, additional customs duty and education cess. The rates of basic customs duty are specified under the Customs Tariff Act 1975. Customs duty is calculated on the transaction value of the goods. Customs duties are administered by Central Board of Excise and Customs under the Ministry of Finance.

## **BUSINESS / TRADE RELATED LAWS / REGULATIONS**

### **Rubber Act, 1947**

The rubber industry in India is regulated by the Rubber Act, 1947 (“Rubber Act”) and the rules framed thereunder. The Rubber Act provides for the constitution of a Rubber Board with the purpose of development of rubber industry. Under the Rubber Act, the central government has been conferred with the power to prohibit or control imports and exports of rubber. Further, the Rubber Act provides that a person shall not possess, sell or acquire rubber without a general or special license issued by the Rubber Board. Every general license is published by the Rubber Board in the Official Gazette and in such newspapers as directed by the Rubber Board, while the special license is accorded for a limited period and is subject to extension by the Rubber Board. In the event of default of the provisions of the Rubber Act, the defaulter will be punishable with imprisonment for the term which may extend to one year or with fine which may extend to one thousand rupees or both

### **The Bureau of Indian Standards Act, 1986**

The Bureau of Indian Standards Act, 1986 (“BIS Act”) was established to provide for the establishment of a bureau (“Bureau”) for the harmonious development of the activities of standardization, marking and quality certification of goods and for matters connected therewith. “Indian Standard” means the standard (including any tentative or provisional standard) established and published by the Bureau, in relation to any article or process indicative of the quality and specification of such article or process and includes - (i) any standard recognized by the Bureau under clause (b) of section 10 of the BIS Act; and (ii) any standard established and published, or recognized, by the Indian Standards Institution and which is in force immediately before the date of establishment of the Bureau.

### **The Indian Boilers Act, 1923**

The Indian Boilers Act, 1923 (the “Boilers Act”) states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twentyfour months in accordance with the regulations made under Boilers Act. On the expiry of the term or Page 180 of 415 due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.

## **ENVIRONMENT LAWS:**

### **National Environmental Policy, 2006**

The Policy seeks to extend the coverage, and fill in gaps that still exist, in light of present knowledge and accumulated experience. This policy was prepared through an intensive process of consultation within the Government and inputs from experts. It does not displace but builds on the earlier policies. It is a statement of India's commitment to making a positive contribution to international efforts. This is a response to our national commitment to a clean environment, mandated in the Constitution in Articles 48 A and 51 A (g), strengthened by judicial interpretation of Article 21. The dominant theme of this policy is that while conservation of environmental resources is necessary to secure livelihoods and well-being of all, the most secure basis for conservation is to ensure that people dependent on particular resources obtain better livelihoods from the fact of conservation, than from degradation of the resource. Following are the objectives of National Environmental Policy:—

- Conservation of Critical Environmental Resources
- Intra-generational Equity: Livelihood Security for the Poor
- Inter-generational Equity
- Integration of Environmental Concerns in Economic and Social Development
- Efficiency in Environmental Resource Use
- Environmental Governance
- Enhancement of resources for Environmental Conservation

### **Environmental Legislations**

The Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”), Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”), and the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”) aim to prevent, control and abate pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board. The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to obtain an approval from the relevant state pollution control board and to dispose of such waste without harming the environment. The Forest (Conservation) Act, 1980 (“FCA”) read with Forest (Conservation) Rules, 2003 aim to preserve forest land and provide for restriction on the deforestation of forests or use of forest land for non-forest purpose and requires prior approval for use of forest land for any non-forest purpose. The Environment (Protection) Act, 1986 read with Environment (Protection) Rules, 1986 aim to protect and improve the environment and provide rules for prevention, control and abatement of environment pollution and impose obligation for proper handling, storage, treatment, transportation and disposal of hazardous wastes.

### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)**

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without harming the environment. The term “hazardous waste” has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an “occupier”. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

### **Environment Impact Assessment Notification of 2006**

The Ministry of Environment, Forests and Climate Change has notified the Environment Impact Assessment Notification of 2006 in September 2006. The notification makes it mandatory for various projects to get environment clearance.

## **REGULATIONS RELATED TO FOREIGN TRADE AND INVESTMENT**

### **The 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 Offers an updated circular.

The Reserve Bank of India (“RBI”) also Offers Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI. In terms of the

Master Circular, an Indian company may Offer fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh Offer of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh Offer of shares would be subject to the reporting requirements, inter-alia with respect to consideration for Offer of shares and also subject to making certain filings including filing of Form FC-GPR.

Under the current FDI Policy of 2020, foreign direct investment in micro and small enterprises is subject to sectoral caps, entry routes and other sectoral regulations. At present 100 % foreign direct investment through automatic route is permitted in the sector in which our Company operates. Therefore, applicable foreign investment up to 100% is permitted in our company under automatic route.

### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development and Regulation) Act, 1992 read along with relevant rules inter-alia 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. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a 'Director General of Foreign Trade' for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

### **Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed thereunder.**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

### **Laws related to Overseas Investment by Indian Entities:**

Overseas investment by Indian Entities are governed under Foreign Exchange Management Act, 1999 under which the central Government of India have notified Foreign Exchange Management (Overseas Investment) Rules, 2022 in supression of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 and the Foreign Exchange Management (Acquisition and Transfer of Immovable Property Outside India) Regulations, 2015. Followed by the rules, RBI have vide notification no. RBI/2022-2023/110, A.P. (DIR Series) Circular No.12 dated August 22, 2022 have issued Foreign Exchange Management (Overseas Investment) Directions, 2022 and Foreign Exchange Management (Overseas Investment) Regulations, 2022. These legislations frame the investment fields, mode and cap for various sectors and regions, by any person resident in India and the reporting requirements.

### **Duty Drawback Scheme**

The duty drawback scheme is an option available to exporters. Under this scheme, exporter of goods is allowed to take back refund of money to compensate him for excise duty paid on the inputs used in the products exported by him. It neutralizes the duty impact in the goods exported. Relief of customs and central excise duties suffered on the inputs used in the manufacture of export product is allowed to exporters. The admissible duty drawback amount is paid to exporters by depositing it into their nominated bank account. Section 75 of the Customs Act, 1962 and Section 37 of the Central Excise Act, 1944, empower the Central Government to grant such duty drawback. Customs, Central Excise Duties and Service Tax Drawback Rules, 1995 (the “Drawback Rules”) have been framed outlining the procedure to be followed for the purpose of grant of duty drawback (for both kinds of duties suffered) by the customs authorities

processing export documentation. Under duty drawback scheme, an exporter can opt for either all industry rate of duty drawback scheme or brand rate of duty drawback scheme.

The all industry rate of duty drawback scheme essentially attempts to compensate exporters of various export commodities for average incidence of customs and central excise duties suffered on the inputs used in their manufacture. Brand rate of duty drawback is granted in terms of rules 6 and 7 of the Drawback Rules in cases where the export product does not have any all industry rate or duty drawback rate, or where the all industry rate duty drawback rate notified is considered by the exporter insufficient to compensate for the customs or central excise duties suffered on inputs used in the manufacture of export products. For goods having an all industry rate, the brand rate facility to particular exporters is available only if it is established that the compensation by all industry rate is less than 80% of the actual duties suffered in the manufacture of the export goods.

### **Merchandise Exports from India Scheme**

Pursuant to the Foreign Trade Policy (2015-2020), the Merchandise Exports from India Scheme (the “MEI Scheme”) was introduced to provide rewards to exporters to offset infrastructure inefficiencies and associated costs in export of goods, especially those having high export intensity, employment potential and ability to enhance India’s export competitiveness. Export of notified goods to notified markets are rewarded under the MEI Scheme. The basis for calculation of the reward under the MEI Scheme is on the Free on Board (“FOB”) value of exports realized in free foreign exchange or on the FOB value of exports mentioned in the shipping bill, whichever is less, unless otherwise specified. With effect from June 1, 2015, the MEI Scheme mandatorily requires a declaration of intent to be endorsed on the shipping bills (except free shipping bills) to be eligible to claim any reward under the MEI Scheme.

### **Ownership restrictions of FIIs**

Under the portfolio investment scheme, the total holding of all FIIs together with their sub-accounts in an Indian company is subject to a cap of 24% of the paid-up capital of a company, which may be increased up to the percentage of sectoral cap on FDI in respect of the said company pursuant to a resolution of the board of directors of the company and the approval of the shareholders of the company by a special resolution in a general meeting. The total holding by each FII, or in case an FII is investing on behalf of its sub-account, each sub-account should not exceed 10% of the total paid-up capital of a company.

## **LAWS RELATED TO EMPLOYMENT OF MANPOWER:**

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

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

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

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees’ State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers’ Welfare Cess Act, 1996 and the Unorganized Workers’ Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees’ provident fund, employees’ state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers.

In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.



### **The Industrial Relations Code, 2020 (“Industrial Code”)**

The Ministry of Law and Justice, with an intent to consolidate and amend laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute, has introduced the Industrial Code. The Code provides that the Central Government may repeal the provisions of the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946, and the Industrial Disputes Act, 1947 and may supersede them with the applicability of any provision of the Industrial Code. The Industrial Code is a central legislation and extends to the whole of India. The Industrial Code empowers the Central Government to require an establishment in which one hundred or more workers are employed or have been employed on any day in the preceding twelve months to constitute a works committee consisting of representatives of employer and workers engaged in the establishment. The code further requires every establishment with twenty or more workers to have grievance redressal committees for resolution of disputes arising out of individual grievances. The code bars the jurisdiction of civil courts to any matter to which the provisions of the Industrial Code apply, and provides for establishment of industrial tribunals for adjudication of such matters. The Industrial Code provides for provisions pertaining to lay-off and retrenchment of employees and closure of establishments and compensation provisions in relation thereto. The Industrial Code provides for monetary fines, penalties and imprisonment in case of contravention of the provisions of the code.

### **Employees Provident Fund and Miscellaneous Provisions Act, 1952**

Under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act), compulsory provident fund, family pension fund and deposit linked insurance are payable to employees in factories and other establishments. The legislation provides that an establishment employing more than 20 (twenty) persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPF Act also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

### **Employees State Insurance Act, 1948, as amended (the “ESIC Act”)**

The ESI Act, provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

### **Payment of Gratuity Act, 1972, as amended (the “Gratuity Act”)**

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions.

Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed 1 million.

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

The Factories Act, 1948 (“Factories Act”) aims at regulating labour employed in factories. A “factory” is defined as —any premises whereon ten or more workers are working or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is carried on without the aid of power, or is ordinarily so carried on. The main aim of the said Act is to ensure adequate safety measures and to promote the health and welfare of the workers employed in factories initiating various measures from time to time to ensure that adequate standards of safety, health and welfare are achieved at all the places. Under the The prime responsibility for compliance with

the Factories Act and the rules thereunder rests on the “occupier”, being the person who has ultimate control over the affairs of the factory. The occupier is required to submit a written notice to the chief inspector of factories containing all the details of the factory, the owner, manager and himself, nature of activities and such other prescribed information prior to occupying or using any premises as a factory. The occupier is required to ensure, as far as it is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory.

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Minimum Wages Act, 1948 and Maharashtra Minimum Wages Rules, 1963 (“MWA Rules”)
- Industrial (Development and Regulation) Act, 1951 (“IDRA”)
- Industrial Disputes Act, 1947 (“ID Act”)
- Payment of Bonus Act, 1965 (“POB Act”)
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“SHWW Act”)
- Equal Remuneration Act, 1976 (“ER Act”)
- Contract Labour Regulation and Abolition) Act, 1970 (CLRA) and Contract Labour (Regulation and Abolition) Central Rules, 1971 (Contract Labour Rules)
- Workmen Compensation Act, 1923 (“WCA”)
- Maternity Benefit Act, 1961 (“Maternity Act”)
- Industrial Employment Standing Orders Act, 1946

#### **OTHER GENERAL RULES AND REGULATIONS:**

##### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”):**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

##### **State Laws**

We operate in various states. Accordingly, legislations passed by the state governments are applicable to us in those states. These include legislations relating to, among others, Shops and Establishment Act, classification of fire prevention and safety measures and other local licensing. Further, we require several approvals from local authorities such as municipal bodies. The approvals required may vary depending on the state and the local area.

##### **Municipality Laws**

Pursuant to the Constitution (Seventy-Fourth Amendment) Act, 1992, the respective state legislatures in India have power to endow the municipalities with power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India. The respective states of India have enacted laws empowering the municipalities to issue trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

##### **The Legal Metrology Act, 2009**

Legal Metrology Act, 2009 was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. This act replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, with effect from March 1, 2011.

## **Intellectual Property Laws**

The Patents Act, 1970 (Patent Act) protects innovations in terms of machinery, development and improvement of existing formulae for manufacturing of various kinds of goods, materials and like. The Trade Marks Act, 1999 (“Trade Marks Act”) provides for application and registration of trademarks in India. It also provides for exclusive rights to marks such as brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides penalties for infringement, falsifying or falsely applying trademarks.

The objective of Designs Act is to promote and protect the design element of industrial production. It is also intended to promote innovative activity in the field of industries. When a design is registered, the proprietor of the design has copyright in the design during ten years from the date of registration.

## **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

## **Prevention of Black Marketing and Maintenance of Supplies Act, 1980**

The “Prevention of Black Marketing and Maintenance of Supplies Act” came in 1980. It is an "Act for detention in certain cases or the purpose of prevention of black marketing and maintenance of supplies of commodities essential to the community and for matters concerned therewith".

## **Prevention of Money Laundering Act, 2002**

Money laundering is the processing of criminal proceeds to disguise its illegal origin. Terrorism, illegal arms sales, financial crimes, smuggling, and the activities of organized crime, including drug trafficking and prostitution rings, generate huge sums. Embezzlement, insider trading, bribery and computer fraud also produce large profits and create an incentive to legitimize the ill-gotten gains through money laundering. When a criminal activity generates substantial profits, the individual or group involved in such activities route the funds to safe heavens by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention.

Most fundamentally, money laundering is inextricably linked to the underlying criminal activity that generates it. In essence, the laundering enables criminal activity to continue.

## **PROPERTY RELATED LAWS**

The Company is required to comply with central and state laws in respect of property. Central Laws that may be applicable to our Company's operations include the Land Acquisition Act, 1894, the Transfer of Property Act, 1882, Registration Act, 1908, Indian Stamp Act, 1899, and Indian Easements Act, 1882.

## **Other regulations:**

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881, The Information Technology Act, 2000, Sale of Goods Act 1930 and Consumer Protection Act 1986, The Arbitration & Conciliation Act, 1996 are also applicable to the company.

## **HISTORY AND CORPORATE STRUCTURE**

### **Brief History and Background**

Our Company was originally incorporated on April 26, 2004 as “Pentagon Rubber Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Punjab, H.P.& Chandigarh. Subsequently our Company was converted into Public Limited Company and name of company was changed from “Pentagon Rubber Private Limited” to “Pentagon Rubber Limited” vide fresh certificate of incorporation dated December 28, 2022 issued by the Registrar of Companies, Chandigarh.

Our Company was originally promoted by Mr. Anil Jain, Mr. Lalit Jain, Mr. Ashish Jain and Mr. Saurabh Jain who were the initial subscribers to the Company’s Memorandum and Articles of Association and are the present promoters of our Company.

As on date of this Draft Red Herring Prospectus, our Company has Seven (7) shareholders.

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections entitled “Industry Overview”, “Business Overview”, “Our Management”, “Financial information of our company” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 98, 110, 134, 153 and 191 respectively.

### **Address of Registered Office:**

The Registered Office of the Company is situated at Gulabgarh Road, Village Behra Dist. S.A.S. Nagar, Derabassi, Mohali, Punjab-140507, India.

### **Changes in Registered Office of the Company since incorporation**

There has not been any change in our Registered Office since incorporation till date of this Draft Red Herring Prospectus except below change:

From	To	With effect from	Reason for Change
3KM Milestone, Haripur Road, Barotiwala, Solan, Himachal Pradesh-173212, India	Plot No. A-28 Kailash Vihar, Baddi, Solan, Himachal Pradesh-173205, India	May 31, 2021	For Administrative Convenience
Plot No. A-28 Kailash Vihar, Baddi, Solan, Himachal Pradesh-173205, India	Gulabgarh Road, Village Behra, Dist. S.A.S. Nagar, Derabassi, Mohali, Punjab-140507, India	September 13, 2021	For Administrative Convenience

### **Our Main Object**

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To carry on in India and abroad the business of manufacturers, producers, exporters, importers in rubber and rubber belting of all types of and description.
2. To carry on business as manufacturers of and dealers in all types of reclaimed rubber and all kinds of rubber products and by-products and rubber chemicals, plastic and plasticizer, and to deal in all type of rubber scrap products and goods.
3. To carry on the business of manufacturers, buyers, sellers, contractors, maintenance agents, designers, importer, exporter, buying and selling agents, fitters, repairers, installers, assemblers of and dealers in all type of products of conveyor beltings, pulley legging, jointing material, conveyor beltings, maintenance products including cold vulcanizing, self-vulcanizing patches, belt-cleaner and other allied products for material handling.
4. To manufacture, produce, sell, import, export and generally deal in V Belts and Fan belts and/or any other conveyor, elevator or transmission belts and other industrial rubber products such as hoses, braided hoses, rice rubber roller, made with natural and/or

synthetic rubber, their derivatives and substitutes, latex synthetic cotton and fibers, synthetic resins, plastic in general or with any combination thereof.

5. To manufacture, buy, sell, supply, deal in and act as agents for all kinds of rubber products including tyres, tubes, flaps, medical rubber products, rubberized cloth, rubber belts, Vbelts, Obelts, floorings, rubber tiles, heels, soles, hoses, latex, foam rubber products, gloves, balloons, toys, seats, cushions, pillows, mattresses, belts, shoes, chappals, and other moulded or extruded products of commercial, household and industrial use.
6. To carry on the business of manufacturers of and dealers in all varieties of rubber including synthetic rubber, reclaimed rubber, natural rubber, sponge rubber, rubber threads and any compounds made from rubber and derivatives and by-products of rubber.

### Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Increase in Authorized Capital of the Company from Rs. 1,00,00,000 (One Crore) divided into 10,00,000 equity shares of Rs. 10/- each to Rs. 2,00,00,000 (Two Crore) divided into 20,00,000 equity shares of Rs. 10/- each	June 15, 2005	Extra-Ordinary General Meeting
2.	Increase in Authorized Capital of the Company from Rs. 2,00,00,000 (Two Crore) divided into 20,00,000 equity shares of Rs. 10/- each to Rs. 3,00,00,000 (Three Crore) divided into 30,00,000 equity shares of Rs. 10/- each	March 05, 2007	Extra-Ordinary General Meeting
3.	Increase in Authorized Capital of the Company from Rs. 3,00,00,000 (Three Crore) divided into 30,00,000 equity shares of Rs. 10/- each to Rs. 4,00,00,000 (Four Crore) divided into 40,00,000 equity shares of Rs. 10/- each	March 24, 2009	Extra-Ordinary General Meeting
4.	Adoption of MOA as per the provisions of the Companies Act, 2013	February 15, 2019	Extra-Ordinary General Meeting
5.	Change in the registered office of the company from the state of Himachal Pradesh to the state of Punjab. Alteration of the main object clause of the company	July 03, 2021	Extra-Ordinary General Meeting
6.	Increase in Authorized Capital of the Company from Rs. 4,00,00,000 (Four Crore) divided into 40,00,000 equity shares of Rs. 10/- each to Rs. 8,00,00,000 (Eight Crore) divided into 80,00,000 equity shares of Rs. 10/- each	October 19, 2022	Extra-Ordinary General Meeting
7.	Conversion of Company into Public limited Company and change in name of company from Pentagon Rubber Private Limited to Pentagon Rubber Limited vide fresh Certificate of Incorporation issued by Registrar of Companies, Chandigarh, dated December 28, 2022	December 15, 2022	Extra-Ordinary General Meeting

### Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated December 15, 2022.

### Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
2004-05	Incorporation of the Company in the name and style of "Pentagon Rubber Private Limited"
2008-09	Received Export Reward for outstanding export in respect of conveyor rubber belts from All India Rubber Industries Association
2014-15	Received Export Reward for outstanding export in respect of conveyor and transmission rubber belts from All India Rubber Industries Association
2020-21	Received Special Domestic Sales Award in respect of domestic sale of conveyor and Transmission belts from All India Rubber Industries Association
2021-22	Received Top Domestic Sales Award in respect of domestic sale of conveyor and Transmission belts from All

<b>Year</b>	<b>Key Events / Milestone / Achievements</b>
	India Rubber Industries Association
2022-23	Converted into Public Limited Company vide fresh certificate of incorporation dated December 28, 2022.

### **Other Details about our Company**

For details of our Company’s activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled “Business Overview”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis for Issue Price” on pages 110, 191 and 88 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “Our Management” and “Capital Structure” beginning on pages 134 and 60 of this Draft Red Herring Prospectus respectively.

### **Acquisition of Business/Undertakings & Amalgamation**

There has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

### **Holding Company**

As on the date of this Draft Red Herring Prospectus, there is no holding company of our Company.

### **Subsidiary of our Company**

As on the date of this Draft Red Herring Prospectus, there is no subsidiary company of our Company.

### **Capital raising (Debt / Equity)**

For details in relation to our capital raising activities through equity, please refer to the chapter titled “Capital Structure” beginning on page 60 of this Draft Red Herring Prospectus. For details of our Company’s debt facilities, please refer section “Financial Information of our Company” on page 153 of this Draft Red Herring Prospectus.

### **Time and Cost overruns in setting up projects**

There has been no time / cost overrun in setting up projects by our Company.

### **Injunction or restraining order**

There are no injunctions/ restraining orders that have been passed against the Company.

### **Revaluation of Assets**

Our Company has not revalued its assets since incorporation

### **Defaults or Rescheduling of borrowings with financial institutions/banks and Conversion of loans into Equity Shares**

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of this Draft Red Herring Prospectus. Furthermore, except as disclosed in chapter titled “Capital Structure” beginning on Page 60 of this Draft Red Herring Prospectus, none of the Company's loans have been converted into equity in the past.

### **Lock-out or strikes**

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this Draft Red Herring Prospectus, our employees are not unionized.



### **Shareholders of our Company:**

Our Company has Seven (7) shareholders as on the date of this Draft Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “Capital Structure” beginning on page 60 of this Draft Red Herring Prospectus.

### **Changes in the Management**

For details of change in Management, please see chapter titled “Our Management” on page 134 of this Draft Red Herring Prospectus.

### **Changes in activities of our Company during the last five (5) years**

There has been no change in the business activities of our Company during last five (5) years from the date of this Draft Red Herring Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in chapter titled “Management’s discussion and analysis of financial conditions & results of operations” beginning on page 191 of this Draft Red Herring Prospectus.

### **Shareholders Agreements**

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

### **Collaboration Agreements**

As on the date of this Draft Red Herring Prospectus, our Company is not a party to any collaboration agreements.

### **Material Agreement**

Our Company has not entered into any material agreements other than the agreements entered into by it in ordinary course of business.

### **OTHER AGREEMENTS**

#### **Non-Compete Agreement**

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Draft Red Herring Prospectus.

#### **Joint Venture Agreement**

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.

#### **Strategic Partners**

Except as mentioned in this Draft Red Herring Prospectus, Our Company does not have any strategic partners as on the date of this Draft Red Herring Prospectus.

#### **Financial Partners**

Our Company does not have any financial partners as on the date of this Draft Red Herring Prospectus.

### **Corporate Profile of our Company**

For details on the description of our Company’s activities, the growth of our Company, please see “Business Overview”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis of Issue Price” on pages 110, 191 and 88 of this Draft Red Herring Prospectus.

### OUR MANAGEMENT

**Board of Directors:** As per the Articles of Association, our Company is required to have not less than Three (3) Directors and not more than Fifteen (15) Directors. Currently, our Company have Six (6) directors of which one (1) is Non-Executive Director and two (2) are Independent Directors.

The following table sets forth the details regarding our Board of Directors of our Company as on the date of filing of this Draft Red Herring Prospectus:

S.No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre-Issue)	Other Directorships
1.	<p><b>Mr. Ashish Jain</b>  <b>Father Name:</b> Mr. Subhash Chand Jain  <b>Date of Birth:</b> 16/08/1973  <b>Age:</b> 49 Years  <b>Designation:</b> Chairman cum Managing Director  <b>Address:</b> 45, Sector-7, Panchkula, Haryana-134109, India.  <b>Experience:</b> 23 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor in Chemical Engineering and Master in Business Administration (MBA)  <b>Nationality:</b> Indian  <b>DIN:</b> 00738412</p>	<p>Originally appointed on the Board as Director w.e.f. April 26, 2004.</p> <p>Further designated as Chairman cum Managing Director w.e.f. January 11, 2023 not liable to retire by rotation.</p>	<p>9,00,450 Equity Shares; 16.68% of Pre-Issue Paid up capital</p>	<p>Indian Companies: NIL  Foreign Companies: NIL</p>
2.	<p><b>Mr. Anil Jain</b>  <b>Father Name:</b> Mr. Krishan Kumar Jain  <b>Date of Birth:</b> 02/09/1954  <b>Age:</b> 68 Years  <b>Designation:</b> Whole-Time Director  <b>Address:</b> Olive 701 Salcon The Verandas, Golf Course Road, Sector-54, Gurgaon, Haryana-122011, India.  <b>Experience:</b> 37 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor of Commerce (Pass)  <b>Nationality:</b> Indian  <b>DIN:</b> 00247981</p>	<p>Originally appointed on the Board as Director w.e.f. April 26, 2004.</p> <p>Further designated as Whole-Time Director w.e.f. January 11, 2023 liable to retire by rotation.</p>	<p>7,51,275 Equity Shares; 13.91% of Pre-Issue Paid up capital</p>	<p>Indian Companies: NIL  Foreign Companies: NIL</p>
3.	<p><b>Mr. Saurabh Jain</b>  <b>Father Name:</b> Mr. Tarsem Kumar Jain  <b>Date of Birth:</b> 04/05/1982  <b>Age:</b> 40 Years  <b>Designation:</b> Whole-Time Director  <b>Address:</b> 409, Sector-7, Panchkula, Haryana- 134109, India.  <b>Experience:</b> 19 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor of Business</p>	<p>Originally appointed on the Board as Director w.e.f. April 26, 2004.</p> <p>Further designated as Whole-Time Director w.e.f. January 11, 2023</p>	<p>15,83,550 Equity Shares; 29.33% of Pre-Issue Paid up capital</p>	<p>Indian Companies: NIL  Foreign Companies: NIL</p>

	Administration (BBA) <b>Nationality:</b> Indian <b>DIN:</b> 00761460	liable to retire by rotation.		
4.	<b>Mr. Lalit Jain</b> <b>Father Name:</b> Mr. Kasturi Lal Jain <b>Date of Birth:</b> 16/01/1964 <b>Age:</b> 58 Years <b>Designation:</b> Non-Executive Director <b>Address:</b> Villa 105, Laburnum, Sushant Lok, Block-A, Sector-28, Gurgaon, Haryana- 122001, India. <b>Experience:</b> 27 Years <b>Occupation:</b> Business <b>Qualifications:</b> Diploma of Associateship in Polymer Science and Technology (Rubber) <b>Nationality:</b> Indian <b>DIN:</b> 00249128	Originally appointed on the Board as Director w.e.f. April 26, 2004.  Further designated as Non-Executive Director in Meeting held on January 07, 2023	17,07,075 Equity Shares; 31.61% of Pre-Issue Paid up capital	Indian Companies: ➤ K K Apparels Private Limited  Foreign Companies: NIL
5.	<b>Mr. Manish Verma</b> <b>Father Name:</b> Pavan Kumar Verma <b>Date of Birth:</b> 23/10/1973 <b>Age:</b> 49 Years <b>Designation:</b> Independent Director <b>Address:</b> 322, Lane 9G, Behind Kisan Bhawan, Sector-35A, Chandigarh-160022 India. <b>Experience:</b> 24 Years <b>Occupation:</b> Self Employed <b>Qualifications:</b> Bachelor of Engineering (Mechanical) <b>Nationality:</b> Indian <b>DIN:</b> 08034159	Appointed as Independent Director w.e.f. January 11, 2023	NIL	Indian Companies: ➤ Prowon Ventures Private Limited ➤ Sangama Strategic Solutions Private Limited  Foreign Companies: NIL
6.	<b>Mrs. Preet Kamal Kaur Bhatia</b> <b>Father Name:</b> Mr. Dalip Singh Bajaj <b>Date of Birth:</b> 20/03/1982 <b>Age:</b> 40 Years <b>Designation:</b> Independent Director <b>Address:</b> 152, Golden Avenue, Near Har Krishan Public School, Amritsar-II, Punjab-143001, India <b>Experience:</b> 17 Years <b>Occupation:</b> Business <b>Qualifications:</b> Chartered Accountant <b>Nationality:</b> Indian <b>DIN:</b> 07070977	Appointed as Independent Director w.e.f. January 11, 2023	NIL	Indian Companies: ➤ A B Cotspin India Limited ➤ JTL Industries Limited ➤ Chetan Industries Limited  Foreign Companies: NIL

### **BRIEF PROFILE OF OUR DIRECTORS**

#### **1. Mr. Ashish Jain, Chairman cum Managing Director, Age: 49 Years**

Mr. Ashish Jain, aged 49 years is Chairman cum Managing Director and also the Promoter of our Company. He holds a Master's Degree in Business Administration (MBA) from Fairleigh Dickinson University, New Jersey, USA and Bachelor of Chemical Engineering from Bangalore University. He was appointed on the Board on April 26, 2004 and further designated as the Chairman

cum Managing Director of the Company on January 11, 2023 for a period of 5 years not liable to retire by rotation. He is having 23 years of experience in the Rubber Industry. He has been instrumental in taking major policy decisions of the Company. He is playing a vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. With his vast and extensive experience in the Rubber industry spanning around two decades, he leads the global operations of the organization including strategic planning, team mentoring and business administration.

**2. Mr. Anil Jain Whole-Time Director, Age: 68 Years**

Mr. Anil Jain, aged 68 years, is the Whole Time Director of our Company. He holds Bachelor degree in Commerce. He was originally appointed on the Board on April 26, 2004 as Director and further designated as the Whole-Time Director of the Company on January 11, 2023 for a period of 5 years liable to retire by rotation. He is having experience of 37 years in Marketing and Sales.

**3. Mr. Saurabh Jain, Whole-Time Director, Age: 40 Years**

Mr. Saurabh Jain, aged 40 years is the Whole-Time Director of our Company. He holds Bachelor degree in Business Administration (BBA). He was appointed on the Board as Executive Director w.e.f., April 26, 2004 and further designated as the Whole-Time Director of the Company on January 11, 2023 for a period of 5 years liable to retire by rotation He is having experience of 19 years of production and procurement.

**4. Mr. Lalit Jain, Non-Executive Director, Age: 58 Years**

Mr. Lalit Jain, aged 58 years, is the Non-Executive Director of our Company. He holds Diploma Certificate in Polymer Technology from London School. He was originally appointed on the Board on April 26, 2004 as Director and designed as Non-Executive Director in meeting held on January 07, 2023. He is having experience of 27 years in Production and marketing.

**5. Mr. Manish Verma, Independent Director, Age: 49 Years**

Mr. Manish Verma, aged 49 years is Independent Director of our Company. He was appointed as Independent Director on the Board w.e.f. January 11, 2023 for 5 years. He holds Bachelor Degree in Mechanical Engineering and having experience of 24 Years in field of banking, automobiles and in entrepreneurship.

**6. Mrs. Preet Kamal Kaur Bhatia, Independent Director, Age: 40 Years**

Mrs. Preet Kamal Kaur Bhatia, aged 40 years is Independent Director of our Company. She was appointed as Independent Director on the Board w.e.f. January 11, 2023 for 5 years. She is a Chartered Accountant and having experience of 17 Years as a practicing Chartered Accountant.

**Confirmations**

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the above-mentioned Directors are on the RBI list of willful defaulters or fraudulent borrower as on the date of filling of this Draft Red Herring Prospectus.
- Further, our Company, our Promoter, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.
- There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of Directors and promoter of our company.

Except as disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on Page 199 of this Draft Red Herring Prospectus, there is no criminal cases filed or being undertaken with regard to alleged commission of any offence by any of our directors which also effected the business of our company and none of directors of our Company have or has been charge-sheeted

with serious crimes like murder, rape, forgery, economic offences etc.

Further, our Company, our Promoter, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

**Nature of any family relationship between any of our Directors:**

None of the Directors of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013.

**Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our directors were selected as Directors or members of the senior management.

**Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

**Details of Borrowing Powers of Directors**

Our Company has passed a Special Resolution in the Extra Ordinary General Meeting of the members held on January 11, 2023, authorizing the Board of Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 100 Crore (Rupees hundred Crores only).

**Compensation of our Managing Director and Whole Time Director**

The compensation payable to our Managing Director and Whole-time Director will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188, 196, 197, 198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole Time Director:

<b>Particulars</b>	<b>Mr. Ashish Jain</b>	<b>Mr. Anil Jain</b>	<b>Mr. Saurabh Jain</b>
Re-Appointment / Change in Designation	January 11, 2023	January 11, 2023	January 11, 2023
Designation	Managing Director	Whole-Time Director	Whole-Time Director
Term of Appointment	5 Years	5 Years	5 Years
Remuneration Payable from FY 2022-23*	₹3.00 Lakhs per month	₹2.00 Lakhs per month	₹2.00 Lakhs per annum
Remuneration paid for Year 2021-22	₹2.00 Lakhs per month	₹0.75 Lakhs per month	₹1.00 Lakhs per month
Remuneration paid for Year 2021-22 by Subsidiary Companies	NIL	NIL	NIL

\* Effective from date of change in designation i.e. January 11, 2023

**Bonus or Profit Sharing Plan for our Directors**

We have no bonus or profit-sharing plan for our Directors.

**Sitting Fee**

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than Managing Director & Whole-

Time Directors) for attending a meeting of the Board or a Committee thereof shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Directors has resolved in their meeting dated January 16, 2023 for payment to all Non-Executive Independent Directors for attending each such meeting of the Board or Committee thereof.

### **SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No. of Shares held</b>	<b>Holding in % (Pre Issue)</b>
1.	Mr. Ashish Jain	9,00,450	16.68
2.	Mr. Anil Jain	7,51,275	13.91
3.	Mr. Saurabh Jain	15,83,550	29.33
4.	Mr. Lalit Jain	17,07,075	31.61

None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Red Herring Prospectus

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

### **INTEREST OF DIRECTORS**

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer- “Compensation of our Managing Director a Whole Time Directors” above, under chapter titled “Our Management” beginning on page 134 of this Draft Red Herring Prospectus

Our directors may also be regarded as interested their shareholding and dividend payable thereon, if any, Our Directors are also interested to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our directors are interested in the Company in the following manner:

<b>Directors</b>	<b>Particulars</b>
Mr. Ashish Jain	- Mortgage of personal property for loan availed by company from Axis Bank Limited
Mr. Ashish Jain, Mr. Lalit Jain, Mr. Anil Jain and Mr. Saurabh Jain	- Personal guarantee for loan availed by company from Axis Bank Limited
	- Personal guarantee for loan availed by company from HDFC Bank Limited

Further our director may also be interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our directors may also be interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of 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 the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section “Our Management” or the section titled “Restated Financial Statement - Related Party Transactions” beginning on page 134 and 153 respectively of this Draft Red Herring Prospectus, and except to the extent of shareholding in our Company, our directors do not have any other interest in our business.

### **Interest in the property of Our Company**

Except as disclosed above and in the chapters titled “Business Overview” and “Restated Financial Statement – Related Party Transactions” and “History and Corporate Structure” on page 110, 153 and 130 respectively of this Draft Red Herring Prospectus, our



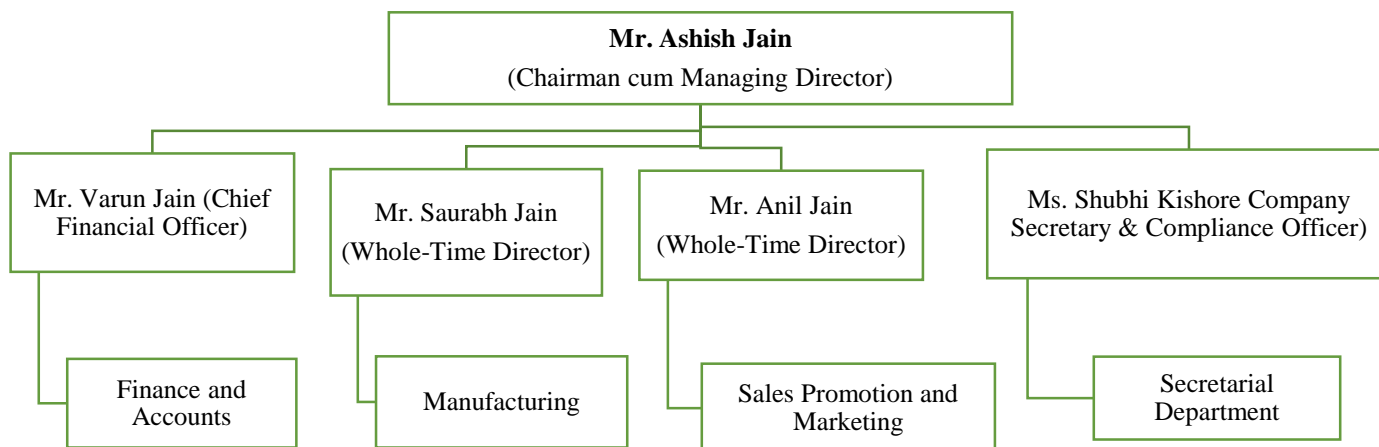
directors do not have any interest in any property acquired two years prior to the date of this Draft Red Herring Prospectus.

### **CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS**

<b>Sr. No.</b>	<b>Name</b>	<b>Date &amp; Nature of Change</b>	<b>Reasons for Change</b>
1.	Mr. Ashish Jain	Re-designated as Chairman cum Managing Director w.e.f. January 11, 2023	To ensure better Corporate Governance
2.	Mr. Anil Jain	Re-designated as Whole-Time Director w.e.f. January 11, 2023	To ensure better Corporate Governance
3.	Mr. Saurabh Jain	Re-designated as Whole-Time Director w.e.f. January 11, 2023	To ensure better Corporate Governance
5.	Mr. Manish Verma	Appointed as Independent Director w.e.f. January 11, 2023	To ensure better Corporate Governance
6.	Mr. Preet Kamal Kaur Bhatia	Appointed as Independent Director w.e.f. January 11, 2023	To ensure better Corporate Governance
7.	Mr. Lalit Jain	Re-designated as Non-Executive Director w.e.f. January 07, 2023	

### **MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure: -



### **COMPLIANCE WITH CORPORATE GOVERNANCE**

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and SEBI (ICDR) Regulations, 2018 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of NSE. The requirements pertaining to constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Six (6) directors of which one (1) is Non-Executive Director and two (2) are Independent Directors (as defined under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Our Company has constituted the following committees:

### 1. Audit Committee

Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated January 16, 2023, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company’s Equity shares on SME platform of NSE, the constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Manish Verma	Chairman	Non-Executive Independent Director
Mrs. Preet Kamal Kaur Bhatia	Member	Non-Executive Independent Director
Mr. Ashish Jain	Member	Chairman cum Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two independent members at each meeting.

**C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
  - matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. 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;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulations, 2015 as amended vide Resolution dated January 16, 2023. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Lalit Jain	Chairman	Non-Executive Director
Mr. Ashish Jain	Member	Chairman cum Managing Director
Mr. Manish Verma	Member	Non-Executive Independent Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. **Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

**B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

**C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:

- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
- Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
- Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non- receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulations, 2015 as amended vide Resolution dated January 16, 2023. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Manish Verma	Chairman	Non-Executive Independent Director
Mrs. Preet Kamal Kaur Bhatia	Member	Non-Executive Independent Director
Mr. Lalit Jain	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

**C. Role of Terms of Reference:**

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole Time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.

#### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

#### **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the SME platform of NSE. The Board of Directors at their meeting held on January 16, 2023 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

#### **Our Key Managerial Personnel**

Our Company is supported by a well-laid team having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

<b>Name, Designation &amp; Educational Qualification</b>	<b>Age (Year)</b>	<b>Date of joining as KMP</b>	<b>Compensation paid for the F.Y ended 2022 (in Rs Lakhs)</b>	<b>Over all experience (in years)</b>	<b>Previous employment</b>
<b>Name: Mr. Ashish Jain</b> <b>Designation:</b> Chairman cum Managing Director <b>Qualification:</b> Bachelor in Chemical Engineering (B.E) and Master in Business Administration (MBA)	49	Chairman and Managing Director w.e.f. January 11, 2023	24.00	23 Years	Openlearningworld.com
<b>Name: Mr. Anil Jain</b> <b>Designation:</b> Whole-Time Director <b>Qualification:</b> Bachelor in Commerce	68	Whole-time Director w.e.f January 11, 2023	9.00	37 Years	K.K. Polymers Private Limited
<b>Name: Mr. Saurabh Jain</b> <b>Designation:</b> Whole-Time Director <b>Qualification:</b> Bachelor of Business Administration	40	Whole-time Director w.e.f January 11, 2023	12.00	19 Years	K.K Rubber Company

<b>Name: Mr. Varun Jain</b> <b>Designation:</b> Chief Financial Officer <b>Qualification:</b> Master in Financial Analysis	40	Appointed on January 16, 2023	5.78	21 Years	Auto Secure Technology Pvt Ltd
<b>Name: Ms. Shubhi Kishore</b> <b>Designation:</b> Company Secretary & Compliance Officer <b>Qualification:</b> Company Secretary	24	Appointed on January 16, 2023	Nil	2 Years	SRGM & Co.

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

### 1. Mr. Ashish Jain, Chairman cum Managing Director, Age: 49 Years

Mr. Ashish Jain, aged 49 years is Chairman cum Managing Director and also the Promoter of our Company. He holds a Master's Degree in Business Administration (MBA) from Fairleigh Dickinson University, New Jersey. He was appointed on the Board on April 26, 2004 and further designated as the Chairman cum Managing Director of the Company on January 11, 2023 for a period of 5 years not liable to retire by rotation. He is having 23 years of experience in the Rubber Industry. He has been instrumental in taking major policy decisions of the Company. He is playing a vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. With his vast and extensive experience in the Rubber industry spanning around two decades, he leads the global operations of the organization including strategic planning, team mentoring and business administration.

### 2. Mr. Anil Jain Whole-Time Director, Age: 68 Years

Mr. Anil Jain, aged 68 years, is the Whole Time Director of our Company. He holds Bachelor degree in Commerce. He was originally appointed on the Board on April 26, 2004 as Director and further designated as the Whole-Time Director of the Company on January 11, 2023 for a period of 5 years liable to retire by rotation. He is having experience of 37 years in Marketing and Sales.

### 3. Mr. Saurabh Jain, Whole-Time Director, Age: 40 Years

Mr. Saurabh Jain, aged 40 years is the Whole-Time Director of our Company. He holds Bachelor degree in Business Administration (BBA). He was appointed on the Board as Executive Director w.e.f., April 26, 2004 and further designated as the Whole-Time Director of the Company on January 11, 2023 for a period of 5 years liable to retire by rotation He is having experience of 19 years of production and procurement.

### 4. Mr. Varun Jain, Chief Financial Officer, Age: 40 Years

Mr. Varun Jain, aged 40 years is the Chief Financial Officer of our Company. He holds degree in Master of Financial Analyst and has done Diploma in Sales and marketing. He was appointed as Chief Financial Officer of our Company on January 16, 2023. He is having experience of 21 years in account and finance. He looks after the finance related matters of company.

### 5. Ms. Shubhi Kishore, Company Secretary and Compliance Officer, Age: 27 Years

Ms. Shubhi Kishore is Company Secretary and Compliance Officer of our Company. She is qualified Company Secretary from institute of Company Secretaries of India. She looks after the secretarial matters of our Company. She joined our Company on January 16, 2023. She has an overall experience of 2 years in secretarial compliances.

## RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

None of the KMP of the Company are related to each other as per Sec 2 (77) of Companies Act, 2013.

We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above



mentioned Key Managerial Personnel have been recruited.

- c. None of our KMPs except Mr. Ashish Jain, Mr. Anil Jain and Saurabh Jain, are also part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended September 30, 2022.
- e. Except for the terms set forth in the appointment Letters the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Red Herring Prospectus except as under:

Sr. No.	Name of KMP	No. of Shares held	Holding in %
1.	Mr. Ashish Jain	9,00,450	16.68
2.	Mr. Anil Jain	7,51,275	13.91
3.	Mr. Saurabh Jain	15,83,550	29.33

- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which our Company belongs.

#### **Payment of Benefits to Officers of our Company (non-salary related)**

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super annuations, ex-gratia/rewards.

#### **Changes in the Key Managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last three years except as stated below:

Sr. No.	Name	Designation	Date of Appointment/ Cessation/Promotion/ Transfer	Reasons
1.	Mr. Ashish Jain	Chairman cum Managing Director	Re-designated as Chairman cum Managing Director in meeting held on January 11, 2023	To ensure better Corporate Governance
2.	Mr. Anil Jain	Whole-time Director	Re-designated as Whole-Time Director in meeting, held on January 11, 2023	To ensure better Corporate Governance
3.	Mr. Saurabh Jain	Whole-time Director	Re-designated as Whole-Time Director in meeting held on January 11, 2023	To ensure better Corporate Governance
4.	Mr. Varun Jain	Chief Financial Officer	Appointed w.e.f. January 16, 2023	To ensure better Corporate Governance
5.	Ms. Shubhi Kishore	Company Secretary & Compliance Officer	Appointed w.e.f. January 16, 2023	To ensure better Corporate Governance

#### **INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY**

Apart from shares held in the Company, and to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our Key managerial personal are interested in our Company.

Further our Key Managerial Personnel (KMP) are interested in the Company in the following manner:

KMP's	Particulars
-------	-------------

Mr. Ashish Jain	- Mortgage of personal property for loan availed by company from Axis Bank Limited
Mr. Ashish Jain, Mr. Anil Jain and Mr. Saurabh Jain	- Personal guarantee for loan availed by company from Axis Bank Limited - Personal guarantee for loan availed by company from HDFC Bank Limited

Except as provided in this Draft Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Red Herring Prospectus in which the Key Managerial Personnel 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.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to chapter “Restated Financial Statement” on page 153 of this Draft Red Herring Prospectus.

#### **OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL**

Except as stated in this Draft Red Herring Prospectus, there are no other benefits payable to our Key Managerial Personnel.

#### **EMPLOYEES**



The details about our employees appear under the Paragraph titled —Human Resource in Chapter Titled — Business Overview beginning on page 110 of this Draft Red Herring Prospectus.

### OUR PROMOTERS & PROMOTER GROUP


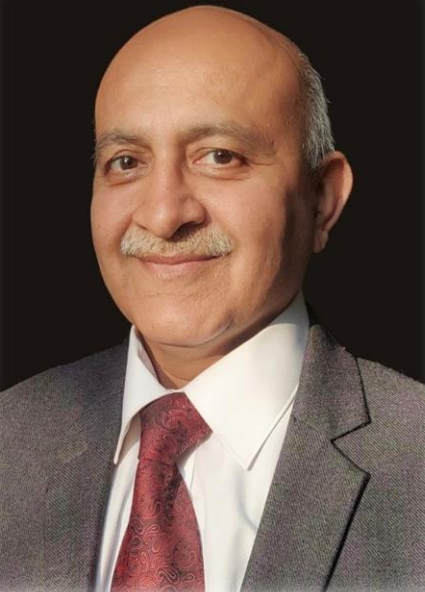
Mr. Ashish Jain, Mr. Anil Jain, Mr. Saurabh Jain and Mr. Lalit Jain are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, Mr. Ashish Jain, Mr. Anil Jain, Mr. Saurabh Jain and Mr. Lalit Jain holds 48,88,350 Equity Shares which constitute 90.53% of the issued and paid-up Equity Share capital of our Company. Our Promoters and Promoter Group will continue to hold the majority of our post- Issue paid-up equity share capital of our Company.

#### Details of our Promoters: -

	<b>Mr. Ashish Jain, Chairman cum Managing Director</b>	
	<b>Qualification</b>	Bachelor in Chemical Engineering and Master of Business Administration (MBA)
	<b>Date of Birth</b>	16/08/1973
	<b>Age</b>	49 Years
	<b>Address</b>	45, Sector-7, Panchkula, Haryana-134109, India.
	<b>Experience</b>	23 Years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AAAPJ1233A
	<b>Passport Number</b>	R6468968
	<b>Driving License Number</b>	DL08 19920166114
	<b>No. of Equity Shares held in PRL [% of Shareholding (Pre-Issue)]</b>	9,00,450 Equity Shares of ₹ 10 each; 16.68% of Pre- Issue Paid up capital
	<b>DIN</b>	00738412
	<b>Other Interests</b>	<b>Companies:</b> NIL <b>HUF:</b> Ashish Jain HUF
		<b>Mr. Anil Jain, Whole-time Director</b>
<b>Qualification</b>		Bachelor of Commerce (Pass)
<b>Date of Birth</b>		02/09/1954
<b>Age</b>		68 Years
<b>Address</b>		Olive 701 Salcon, the Verandas, Golf Course Road, Sector-54, Gurgaon, Haryana-122011, India.
<b>Experience</b>		37 Years
<b>Occupation</b>		Business
<b>Permanent Account Number</b>		AAAPJ2384E
<b>Passport Number</b>		P6603994
<b>Driving License Number</b>		DL08 19890076127
<b>No. of Equity Shares held in PRL [% of Shareholding (Pre-Issue)]</b>		7,51,275 Equity Shares of ₹ 10 each; 13.91% of Pre- Issue Paid up capital
<b>DIN</b>		00247981
<b>Other Interests</b>		<b>Companies:</b> NIL <b>HUF:</b> Anil Kumar Jain HUF



	<b>Mr. Saurabh Jain, Whole-time Director</b>	
	<b>Qualification</b>	Bachelor of Business Administration (BBA)
	<b>Date of Birth</b>	04/05/1982
	<b>Age</b>	40 Years
	<b>Address</b>	409, Sector-7, Panchkula, Haryana- 134109, India
	<b>Experience</b>	19 Years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	ADPPJ2328C
	<b>Passport Number</b>	V5358601
	<b>Driving License Number</b>	DL08 20009400707
	<b>No. of Equity Shares held in PRL [% of Shareholding (Pre-Issue)]</b>	15,29,550 Equity Shares of ₹ 10 each; 28.33% of Pre- Issue Paid up capital
	<b>DIN</b>	00761460
	<b>Other Interests</b>	<b>HUF:</b> Saurabh Jain HUF
	<b>Mr. Lalit Jain, Non-Executive Director</b>	
	<b>Qualification</b>	Diploma of Associateship in Polymer Science and Techonology (Rubber)
	<b>Date of Birth</b>	16/01/1964
	<b>Age</b>	58 Years
	<b>Address</b>	Villa 105, Laburnum, Sushant Lok, Block-A, Sector-28, Gurgaon, Haryana- 122001, India.
	<b>Experience</b>	27 Years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AAAPJ1742J
	<b>Passport Number</b>	L5822184
	<b>Driving License Number</b>	DL08 20080252037
	<b>No. of Equity Shares held in PRL [% of Shareholding (Pre-Issue)]</b>	17,07,075 Equity Shares of ₹ 10 each; 31.61% of Pre- Issue Paid up capital
	<b>DIN</b>	00249128
	<b>Other Interests</b>	<b>Companies:</b> ➤ K K Apparels Private Limited <b>HUF:</b> ➤ Lalit Kumar Jain HUF

### Declaration

We confirm that the Permanent Account Number, Bank Account Number, Aadhar Card Number, Passport Number and Driving License of the Promoters which are available have been submitted to NSE at the time of filing of Draft Red Herring Prospectus with them.

Present Promoters of Our Company are Mr. Ashish Jain, Mr. Anil Jain, Mr. Saurabh Jain and Mr. Lalit Jain. Initial subscribers to the MoA of our Company were Mr. Ashish Jain, Mr. Anil Jain, Mr. Saurabh Jain and Mr. Lalit Jain. For details of the shareholding acquired by the current promoters of our Company refer the capital buildup of our Promoter under chapter “Capital Structure” beginning on page 60 of this Draft Red Herring Prospectus.

## **Undertaking/ Confirmations**

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

No material regulatory or disciplinary action is taken by stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoters of our company.

There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoters during the past three years.

The litigation record, the nature of litigation, and status of litigation of our Company, Promoters, Group company and Company promoted by the Promoters are disclosed in chapter titled “Outstanding Litigations and Material Developments” beginning on page 199 of this Draft Red Herring Prospectus.

None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the promoter group members nor our Group Company have been declared as a willful defaulter or a fraudulent borrower by the RBI or any other government authority nor there are any violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

## **Common Pursuits/ Conflict of Interest**

There is no other entity/ Group Companies which are engaged in similar line of business as our Company as on date of this Draft Red Herring Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

## **Interest in promotion of Our Company**

The Promoters are interested to the extent of their shareholding in the Company, and any dividend and distributions which may be made by the Company in future. The related party transactions are disclosed in “Financial information of our company” and “Our Management – Interest of Directors” and “Our Management – Interest of Key Managerial Personnel” on pages 153 & 134 of this Draft Red Herring Prospectus, respectively.

## **Interest in the property of Our Company**

Except as mentioned in this Draft Red Herring Prospectus, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Red Herring Prospectus or proposed to be acquired by us till date of filing the Prospectus with RoC.

## **Other Interest of Promoter**

Our Promoters Mr. Ashish Jain, Mr. Anil Jain, Mr. Saurabh Jain and Mr. Lalit Jain are interested to the extent of their shareholding and shareholding of their relatives in our Company. Our Promoter Mr. Ashish Jain who is also the Managing Director and Mr. Anil Jain and Mr. Saurabh Jain who are Whole-time Directors of our Company may be deemed to be interested to the extent of their remuneration, as per the terms of their appointment and reimbursement of expenses payable to them. Our Promoters may also be deemed interested to the extent of any unsecured loan given/taken by them to/from our Company.

Further our Promoters are interested in the Company in the following manner:

Promoters	Particulars
Mr. Ashish Jain	Mortgage of personal property for loan availed by company from Axis Bank Limited
Mr. Ashish Jain, Mr. Anil Jain, Mr. Saurabh Jain and Mr. Lalit Jain	Personal guarantee for loan availed by company from Axis Bank Limited Personal guarantee for loan availed by company from HDFC Bank Limited

For transaction in respect of loans and other monetary transaction entered in past please refer chapter titled “Restated Financial Statements” on page 153 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract 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.

#### **Experience of Promoters in the line of business**

Our Promoters Mr. Ashish Jain, Mr. Anil Jain, Mr. Saurabh Jain and Mr. Lalit Jain have experience of 23, 37, 19 and 27 years. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

#### **Related Party Transactions**

For the transactions with our Promoter Group entities please refer to chapter titled “Restated Financial Statements” on page 153 of this Draft Red Herring Prospectus.

Except as stated in chapter titled “Restated Financial Statements” on page 153 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group do not have any other interest in our business.

#### **Payment or Benefit to Promoters of Our Company**

For details of payments or benefits paid to our Promoters, please refer to the chapter titled “Our Management” beginning on page 134 of this Draft Red Herring Prospectus. Also refer “Restated Statement of Related Party Transactions” under chapter titled “Restated Financial Statements” on page 153 of this Draft Red Herring Prospectus.

#### **Companies / Firms from which the Promoters have disassociated themselves in the last (3) three years**

None of our Promoters has disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Draft Red Herring Prospectus.

#### **Other ventures of our Promoters**

Save and except as disclosed in this section titled “Our Promoters and Promoter Group” and “Information with respect of Group Companies” beginning on page 147 & 209 respectively of this Draft Red Herring Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests as on date of this Draft Red Herring Prospectus.

#### **Litigation details pertaining to our Promoters**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 199 of this Draft Red Herring Prospectus.

### **OUR PROMOTER GROUP**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:



## 1. Natural Persons who are part of the Promoter Group

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship	Mr. Ashish Jain	Mr. Anil Jain	Mr. Saurabh Jain	Mr. Lalit Jain
<b>Father</b>	Mr. Subhash Jain	Late. Krishan Kumar Jain	Mr. Tarsem Kumar Jain	Late. Mr. Kasturi Lal Jain
<b>Mother</b>	Mrs. Kaushal Jain	Late. Mrs. Shimla Devi Jain	Mrs. Simmi Jain	Mrs. Kamal Prabha Jain
<b>Spouse</b>	Mrs. Ruchika Jain	Mrs. Amita Jain	Mrs. Princee Jain	Mrs. Vasudha Jain
<b>Brother</b>	-	Mr. Subhash Jain	Mr. Sumeesh Jain	-
<b>Sister</b>	Mrs. Ekta Jain*	Mrs. Sulaxan Jain*	Ms. Shilpa Jain*	Mrs. Aruna Jain*
<b>Son</b>	Master Kanav Jain Mr. Vaibhav Jain	Mr. Gaurav Jain	Mr. Samridh Jain	Mr. Tushar Jain
<b>Daughter</b>	-	Mrs. Alpa Jain* Mrs. Nehal Jain*	-	Ms. Tanvi Jain
<b>Spouse's Father</b>	Mr. K L Jain*	Mr. Raj Kumar Jain*	Mr. Sushil Kumar Jain*	Late Mr. Narendra Prakash Jain
<b>Spouse's Mother</b>	Mrs. Ashok Jain*	Mrs. Trishla Jain*	Mrs. Parveen Jain*	Mrs. Anuradha Jain*
<b>Spouse's Brother</b>	Mr. Raghav Jain*	Mr. Deepak Jain* Mr. Amit Jain*	Mr. Abhinandan Jain*	Mr. Anurag Jain*
<b>Spouse's Sister</b>	Mrs. Ashma Jain*	Mrs. Simmi Jain* Mrs. Vimmi Jain*	Mrs. Simmi Jain*	Mrs. Priya Jain*

\* As per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, Mrs. Ekta Jain, Mr. K L Jain, Mrs. Ashok Jain, Mr. Raghav Jain, Mrs. Ashma Jain, Mrs. Sulaxan Jain, Mrs. Alpa Jain, Mrs. Nehal Jain, Mr. Raj Kumar Jain, Mrs. Trishla Jain, Mr. Deepak Jain, Mr. Amit Jain, Mrs. Simmi Jain, Mrs. Vimmi Jain, Ms. Shilpa Jain, Mr. Sushil Kumar Jain, Mrs. Parveen Jain, Mr. Abhinandan Jain, Mrs. Simmi Jain, Mrs. Aruna Jain, Mrs. Anuradha Jain, Mr. Anurag Jain, Mrs. Priya Jain are immediate relative of our Promoters and forming part of Promoter Group Member. Accordingly, as per regulation 2(1)(pp) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 the immediate relative of Promoters and their interest in other entities form part of Promoter Group.

Our Company is enable to get the information in respect of their interest in other entities, hence the Mrs. Ekta Jain, Mr. K L Jain, Mrs. Ashok Jain, Mr. Raghav Jain, Mrs. Ashma Jain, Mrs. Sulaxan Jain, Mr. Raj Kumar Jain, Mrs. Trishla Jain, Mr. Deepak Jain, Mr. Amit Jain, Mrs. Simmi Jain, Mrs. Vimmi Jain, Ms. Shilpa Jain, Mr. Sushil Kumar Jain, Mrs. Parveen Jain, Mr. Abhinandan Jain, Mrs. Simmi Jain, Mrs. Aruna Jain, Mrs. Anuradha Jain, Mr. Anurag Jain, Mrs. Priya Jain and their related companies and entities are not classified as person forming part of Promoter Group of our company as per regulation 2(1)(pp) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

## 2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

- Anil Kumar Jain HUF
- Saurabh Jain HUF
- Ashish Jain HUF
- Lalit Kumar Jain HUF
- K K Apparels Private Limited
- IPL Business Services (I) Private Limited

## **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not declared any dividend on the Equity Shares in last five years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

## CHAPTER IX - FINANCIAL INFORMATION OF OUR COMPANY

### RESTATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION  
(AS REQUIRED BY SECTION 26 OF COMPANIES ACT, 2013 READ WITH RULE 4 OF COMPANIES (PROSPECTUS AND  
ALLOTMENT OF SECURITIES) RULES, 2014)

To,  
**The Board of Directors,**  
Pentagon Rubber Limited  
Gulabgarh Road, Village Dera Bassi,  
SAS Nagar, Punjab-140507

Dear Sir,

1. We have examined the attached Restated Audited Financial Information of Pentagon Rubber Limited, (the “Company” or the “Issuer”) comprising the Restated Audited Statement of Assets and Liabilities as at September 30, 2022, March 31, 2022, March 31, 2021 & March 31, 2020, the Restated Audited Statement of Profit & Loss, the Restated Audited Cash Flow Statement for stub period ended on September 30, 2022 & for financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020, the Summary statement of Significant Accounting Policies and other explanatory Information (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on March 01, 2023 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Initial Public Offer of Equity Shares (IPO) and prepared in terms of the requirement of:-
2. These restated Summary Statement have been prepared in terms of the requirements of:
  - i. Section 26 of Part I of Chapter III of the Companies Act, 2013 as amended (the “Act”);
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 (“ICDR Regulations”) as amended (ICDR Regulations”); and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India (“SEBI”);
  - iii. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India as amended from time to time. (“The Guidance Note”).
3. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Prospectus/ Prospectus to be filed with Stock Exchange, Securities and Exchange Board of India, and Registrar of Companies, Chandigarh in connection with the proposed IPO. The Restated Financial Information has been prepared by the management of the Company for the stub period ended on September 30, 2022 & for Financial Year ended on March 31, 2022, March 31, 2021 & March 31, 2020 on the basis of preparation stated in Annexure D to the Restated Financial Information. The Board of Directors of the company’s responsibility includes 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.
4. We have examined such Restated Financial Information taking into consideration:
  - a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 29, 2022 in connection with the proposed IPO of equity shares of the Company;
  - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidences supporting the Restated Financial Information; and,
  - d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in

connection with the IPO.

5. These Restated Financial Information have been compiled by the management from:

Audited financial statements of company as at and for the stub period ended on September 30, 2022 & for the financial year ended on March 31, 2022, March 31, 2021 & March 31, 2020 prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India, which has been approved by Board of Directors.

6. For the purpose of our examination, we have relied on:

Auditors' reports issued by us dated October 15, 2022 as at and for the six months period ended on September 30, 2022, dated September 05, 2022 as at and for the year ended on March 31, 2022, dated October 22, 2021 as at and for the year ended on March 31, 2021 and dated July 10, 2020 as at and for the year ended on March 31, 2020.

The modification in restated financials were carried out based on the modified reports, if any, issued by us which is giving rise to modifications on the financial statements as at and for the period ended on 30<sup>th</sup> September 2022, March, 2022, March 2021 and March 2020. There is no qualification by us for the Financial Statement for the period ended on 30<sup>th</sup> September 2022, 31<sup>st</sup> March, 2022, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

The audit reports on the financial statements were modified and included following matter(s) giving rise to modifications on the financial statements for the period ended on 30<sup>th</sup> September 2022, 31<sup>st</sup> March, 2022, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

- a) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
- b) The Restated Financial Information or Restated Summary Financial Statement have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate and there are no qualifications which require adjustments;
- c) Extra-ordinary items that needs to be disclosed separately in the accounts has been disclosed wherever required;
- d) There were no qualifications in the Audit Reports issued us for the stub period ended on 30<sup>th</sup> September 2022 & Financial Year ended on March 2022, March 2021 and march 2020 which would require adjustments in this Restated Financial Statements of the Company
- e) Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in ANNEXURE - D to this report;
- f) Adjustments in Restated Financial Information or Restated Summary Financial Statement have been made in accordance with the correct accounting policies;
- g) There was no change in accounting policies, which needs to be adjusted in the Restated Financial Information or Restated Summary Financial Statement;
- h) The Company has valued its obligations related to Gratuity as per AS -15.
- i) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Information or Restated Summary Financial Statement;
- j) The related party transaction for purchase & sales of Goods entered by the company are at arm's length price;
- k) The Company has not paid any dividend since its incorporation;

In accordance with the requirements of Part I of Chapter III of Act including rules made there under, ICDR Regulations, Guidance Note and Engagement Letter, we report that:

- a. The "Restated Statement of Assets and Liabilities" as set out in ANNEXURE – A to this report, of the Company for the Stub Period ended on September 30, 2022 & Financial Year ending on March 31, 2022, March 31, 2021 & March 31, 2020 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.

- b. The “Restated Statement of Profit and Loss” as set out in ANNEXURE – B to this report, of the Company for the Stub Period ended on September 30, 2022 & Financial Year ending on March 31, 2022, March 31, 2021 & March 31, 2020 is prepared by the Company and approved by the Board of Directors. These Restated Summary Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.
- c. The “Restated Statement of Cash Flow” as set out in ANNEXURE – C to this report, of the Company for the Stub Period ended on September 30, 2022 & Financial Year ending on March 31, 2022, March 31, 2021 & March 31, 2020 is prepared by the Company and approved by the Board of Directors. These Statement of Cash Flow, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D to this Report.

We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the six months period ended on September 30 2022, and as at and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 proposed to be included in the Draft Prospectus/Prospectus.

Restated Statement of Share Capital & Reserves And Surplus	Annexure – A.1 Annexure – A.2
Restated Statement of Long Term Borrowing	Annexure – A.3
Restated Statement of Long Term Provisions	Annexure – A.4
Restated Statement of Short Term Borrowing	Annexure – A.5
Restated Statement of Trade Payables	Annexure – A.6
Restated Statement of Short Term Borrowing	Annexure – A.6
Restated Statement of Other Current Liabilities	Annexure – A.7
Restated Statement of Short Term Provisions	Annexure – A.8
Restated Statement of Fixed Assets	Annexure – A.9
Restated Statement of Deferred Tax Assets	Annexure – A.10
Restated Statement of Other Non Current Assets	Annexure – A.11
Restated Statement of Inventories	Annexure – A.12
Restated Statement of Trade Receivables	Annexure – A.13
Restated Statement of Cash & Cash Equivalents	Annexure – A.14
Restated Statement of Other Current Assets	Annexure – A.15
Restated Statement of Revenue from Operations	Annexure – B.1
Restated Statement of Other Income	Annexure – B.2
Restated Statement of Cost of Material Purchased	Annexure – B.3
Restated Statement of Employee Benefit Expenses	Annexure – B.4
Restated Statement of Finance Cost	Annexure – B.5
Restated Statement of Depreciation & Amortisation	Annexure – B.6
Restated Statement of Other Expenses	Annexure – B.7
Restated Statement of Deferred Tax Asset / Liabilities	Annexure – B.8
Restated Statement of Cash Flows	Annexure - C
Restated Significant Accounting Policies	Annexure - D
Statement Of Material Adjustment To The Restated Financial Statement	Annexure - E
Restated Statement of Tax shelter	Annexure – F
Restated Statement of Capitalization	Annexure – G
Restated Statement of Contingent Liabilities	Annexure – H
Restated Statement of Accounting Ratios	Annexure – I
Restated Statement of related party transaction	Annexure – J

In our opinion and to the best of information and explanation provided to us, the Restated Financial Information of the Company, read with significant accounting policies and notes to accounts as appearing in ANNEXURE – D are prepared after providing appropriate adjustments and regroupings as considered appropriate.

We, M/s S. Jain & Co, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants

of India (“ICAI”) and hold a valid peer review certificate issued by the “Peer Review Board” of the ICAI.

The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company and are in accordance with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above is the responsibility of the management of the Company.

The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to therein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

In our opinion, the above financial information contained in ANNEXURE – A to J of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in ANNEXURE – D are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Companies Act, ICDR Regulations, Engagement Letter and Guidance Note.

Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

**For, S. Jain & Co**  
**Chartered Accountants**  
**FRN: 009593N**  
**Peer Review Certificate No: 012712**

**Sanjeev Jain**  
**Partner**  
**M. No. 088469**  
**UDIN: 23088469BGRUPT2564**

**Place: Ludhiana**  
**Date: 01.03.2023**



**ANNEXURE – A : RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. in Lakhs)

Sr. No.	Particulars	Note No.	For The Period Ended	As at 31st March		
			30.09.2022	2022	2021	2020
<b>A.</b>	<b>Equity and Liabilities</b>					
<b>1</b>	<b>Shareholders' Funds</b>					
	Share Capital	<b>A.1</b>	400.00	400.00	400.00	400.00
	Reserves & Surplus	<b>A.2</b>	295.00	154.43	(154.22)	(264.52)
	<b>Share application money pending allotment</b>		0.00	0.00	0.00	0.00
<b>2</b>	<b>Non-Current Liabilities</b>					
	Long-Term Borrowings	<b>A.3</b>	829.20	978.45	935.34	903.49
	Other Non-Current Liabilities		0.00	0.00	0.00	0.00
	Long-Term Provisions	<b>A.4</b>	5.97	4.86	3.97	2.95
	Deferred Tax Liabilities (Net)		0.00	0.00	0.00	0.00
<b>3</b>	<b>Current Liabilities</b>					
	Short Term Borrowings	<b>A.5</b>	718.48	780.16	714.09	341.38
	Trade Payables :	<b>A.6</b>				
	(A) total outstanding dues of micro enterprises and small enterprises; and		0.00	0.00	0.00	0.00
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises.".]	<b>A.6</b>	318.05	252.57	456.62	581.93
	Other Current Liabilities	<b>A.7</b>	114.43	175.11	222.78	159.38
	Short Term Provisions	<b>A.8</b>	66.13	56.56	10.39	8.18
	<b>Total</b>		<b>2,747.27</b>	<b>2,802.16</b>	<b>2,588.97</b>	<b>2,132.80</b>
<b>B.</b>	<b>Assets</b>					
<b>1</b>	<b>Non-Current Assets</b>					
	Property, Plant and Equipment					
	Tangible Assets	<b>A.9</b>	207.76	218.37	256.40	283.98
	Intangible Assets		0.00	0.00	0.00	0.00
	Capital Work in progress	<b>A.9</b>	0.00	0.00	0.00	0.00
	Intangible Assets Under Development		0.00	0.00	0.00	0.00
	Non-Current Investments		0.00	0.00	0.00	0.00
	Deferred Tax Assets	<b>A.10</b>	21.79	30.79	29.49	25.68
	Long Term Loans & Advances		0.00	0.00	0.00	0.00
	Other Non Current Assets	<b>A.11</b>	60.83	61.11	35.41	23.93
<b>2</b>	<b>Current Assets</b>					
	Current Investments		0.00	0.00	0.00	0.00
	Inventories	<b>A.12</b>	1,250.05	1,153.01	953.14	751.37
	Trade Receivables	<b>A.13</b>	991.38	941.26	1060.55	783.92
	Cash and Cash Equivalents	<b>A.14</b>	83.70	74.13	45.95	48.80
	Short-Term Loans and Advances		0.00	0.00	0.00	0.00
	Other Current Assets	<b>A.15</b>	131.76	323.49	208.03	215.12
	<b>Total</b>		<b>2747.27</b>	<b>2802.16</b>	<b>2588.97</b>	<b>2132.80</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,B & C

**ANNEXURE – B : RESTATED STATEMENT OF PROFIT AND LOSS**
**(Rs. in Lakhs)**

Sr. No	Particulars	Note No.	For the period ended	For The Year Ended 31st March		
			30.09.2022	2022	2021	2020
<b>A.</b>	<b>Revenue:</b>					
	Revenue from Operations	<b>B.1</b>	2103.80	3502.65	2316.39	1933.03
	Other income	<b>B.2</b>	1.70	8.94	3.31	6.22
	<b>Total revenue</b>		<b>2105.51</b>	<b>3511.59</b>	<b>2319.69</b>	<b>1939.25</b>
<b>B.</b>	<b>Expenses:</b>					
	Cost of Material Consumed	<b>B.3</b>	1652.80	2666.28	1707.24	1501.48
	Change in Inventories of WIP, Finished Goods & Stock in Trade		20.35	24.41	37.26	(19.41)
	Employees Benefit Expenses	<b>B.4</b>	99.23	176.75	166.16	124.08
	Finance costs	<b>B.5</b>	34.32	73.88	75.45	67.01
	Depreciation and Amortization	<b>B.6</b>	13.67	39.10	54.97	46.91
	Other expenses	<b>B.7</b>	78.04	215.17	170.72	119.95
	<b>Total Expenses</b>		<b>1898.41</b>	<b>3195.59</b>	<b>2211.80</b>	<b>1840.01</b>
	<b>Profit before exceptional and extraordinary items and tax</b>		<b>207.10</b>	<b>316.01</b>	<b>107.89</b>	<b>99.24</b>
	Exceptional Items		0.00	0.00	0.00	0.00
	<b>Profit before extraordinary items and tax</b>		<b>207.10</b>	<b>316.01</b>	<b>107.89</b>	<b>99.24</b>
	Extraordinary items		0.00	0.00	0.00	0.00
	<b>Profit before tax</b>		<b>207.10</b>	<b>316.01</b>	<b>107.89</b>	<b>99.24</b>
	<b>Tax expense :</b>					
	Current tax					
	Tax Expense for Current Year		57.54	58.46	10.99	8.02
	Mat Entitlement		0.00	49.81	9.59	8.02
	Short/(Excess) Provision of Earlier Year		0.00	0.00	0.00	0.00
	Deferred Tax	<b>B.8</b>	9.00	-1.30	-3.81	5.43
	<b>Net Current Tax Expenses</b>		<b>66.54</b>	<b>7.35</b>	<b>-2.41</b>	<b>5.43</b>
	Profit (Loss) for the period from continuing operations		<b>140.56</b>	<b>308.66</b>	<b>110.30</b>	<b>93.81</b>
	<b>Earning per equity share in Rs.:</b>					
	(1) Basic		2.60	5.72	2.04	1.74
	(2) Diluted		2.60	5.72	2.04	1.74

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, Statement of Balance Sheet and cash flows appearing in Annexure D,A&C.



ANNEXURE – C: RESTATED STATEMENT OF CASH FLOWS

(Rs. in Lakhs)

Particulars	For the Period Ended 30.09.2022	For The Year Ended 31st March		
		2022	2021	2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit/ (Loss) before tax	207.10	316.01	107.89	99.24
<b>Adjustments for:</b>				
Depreciation	13.67	39.10	54.97	46.91
Finance Cost	34.32	73.88	75.45	67.01
Interest Income	0.00	0.00	(2.07)	(1.93)
Prior Period Adjustment	0.00	0.00	0.00	(2.95)
(Profit)/loss on sale of Fixed Assets/Investments	0.00	0.00	0.32	0.00
<b>Operating profit before working capital changes</b>	<b>255.09</b>	<b>428.98</b>	<b>236.57</b>	<b>208.28</b>
Movements in working capital :				
(Increase)/Decrease in Inventories	(97.04)	(199.87)	(201.78)	(453.65)
(Increase)/Decrease in Trade Receivables	(50.12)	119.29	(276.63)	23.24
(Increase)/Decrease in Other Current Assets	191.73	(115.46)	7.09	(23.96)
Increase/(Decrease) in Trade Payables	65.48	(204.05)	(125.30)	373.70
Increase/(Decrease) in Short Term Provisions	9.57	46.17	2.21	8.18
Increase/(Decrease) in Other Current Liabilities	(60.68)	(47.67)	63.40	21.80
<b>Cash generated from operations</b>	<b>314.02</b>	<b>27.40</b>	<b>(294.44)</b>	<b>157.58</b>
Income tax paid during the year (Net with MAT Entitlement)	57.54	8.65	1.40	0.00
<b>Net cash from operating activities (A)</b>	<b>256.48</b>	<b>18.75</b>	<b>(295.84)</b>	<b>157.58</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Sale/(Purchase) of Investments	0.00	0.00	0.00	0.00
Interest Income	0.00	0.00	2.07	1.93
Purchase of Fixed Assets	(3.06)	(1.06)	(28.22)	(73.92)
Sale of Fixed Assets	0.00	0.00	0.50	0.00
Increase in Other Non-Current Assets	0.28	(25.70)	(11.48)	(0.17)
<b>Net cash from investing activities (B)</b>	<b>(2.78)</b>	<b>(26.76)</b>	<b>(37.13)</b>	<b>(72.16)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Interest paid on borrowings	(34.32)	(73.88)	(75.45)	(67.01)
Increase/(Decrease) in Long Term Provisions	1.11	0.89	1.02	2.95
Proceeds/(Repayment) of Borrowings	(210.93)	109.19	404.56	(19.44)
<b>Net cash from financing activities (C)</b>	<b>(244.14)</b>	<b>36.19</b>	<b>330.13</b>	<b>(83.50)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>9.56</b>	<b>28.18</b>	<b>(2.85)</b>	<b>1.93</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>74.13</b>	<b>45.95</b>	<b>48.80</b>	<b>46.87</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>83.70</b>	<b>74.13</b>	<b>45.95</b>	<b>48.80</b>
<b>Cash &amp; Cash Equivalent Comprises</b>				
Cash in Hand	21.87	14.35	0.66	9.87
Balance With Bank in Current Accounts	1.76	1.01	0.93	7.09
Balance with Bank in Deposits Accounts	60.07	58.78	44.36	31.84

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and Statement of Balance Sheet appearing in Annexure C, A & B.

## ANNEXURE – D

### CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES, RECONCILIATION OF NET PROFIT/(LOSS) AND RECONCILIATION OF NETWORTH

#### A. COMPANY INFORMATION

Pentagon Rubber Private Limited is a family run MSME corporation under the KK Rubber Group which was established in 1969 for manufacturing Rubber Belting in New Delhi. With 50 years of experience in manufacturing & exporting of Conveyor & Transmission Rubber Belting, In 2004 factory at Barotiwala, Himachal Pradesh under the TAX FREE policy was set up and later in 2010 company expanded and setup second factory at Dera Bassi, Punjab. In 2017 company consolidated both units in Dera Bassi, Punjab which is today counted among the leading manufacturers of Conveyor Rubber Belting in India. The Company mainly cater to Government Tender Business, Exports Markets across 30 countries and Multinational/National Corporations of India.

The factory is set up in Industrial town of Dera Bassi, Punjab, 25 Kms from City Beautiful Chandigarh. It has installed one of the longest Conveyor Belting Press in India with 21mtr production capacity in single stroke. It is capable of producing the best conveyor rubber belting upto 3150KN/m due to advanced precision systems. It has installed production capacity of over 300 km of Conveyor Rubber Belt per year. The entire heavy duty mixing line is of Kobe/Japan & London/United Kingdom with mixing capacity of 6000 TPA. The building infrastructure is by Indian subsidiary of Kirby Building Systems to facilitate hindrance-free movement of belts in the factory.

#### SIGNIFICANT ACCOUNTING POLICIES

##### 1. Accounting Convention

The financial statements are prepared under the historical cost convention on the “Accrual Concept” and Going Concern assumption of accountancy in accordance with the accounting principles generally accepted in India and comply with the accounting standards as prescribed by Companies (Accounting Standard) Rules, 2006 and with the relevant provisions of the Companies Act, 2013 and rules made there under.

##### 2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which results are known/materialized.

##### 3. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises of all expenses incurred to bring the assets to its present location and condition. Borrowing cost directly attributable to the acquisition /construction are included in the cost of fixed assets. Adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

In case of new projects / expansion of existing projects, expenditure incurred during construction / preoperative period including interest and finance charge on specific / general purpose loans, prior to commencement of commercial production are capitalized. The same are allocated to the respective completion of construction / erection of the capital project / fixed assets.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future economic benefits from the existing asset beyond its previously assessed standard of performance.

Capital assets (including expenditure incurred during the construction period) under erection / installation are stated in the Balance Sheet as “Capital Work in Progress.”

##### 4. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication

that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

## **5. Depreciation**

All fixed assets, except capital work in progress, are depreciated on WDV Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions to / deletions from fixed assets made during the period is provided on pro-rata basis from / up to the date of such addition / deletion as the case may be.

## **6. Investments**

Investments are classified into current investments and non-current investments. Current investments i.e. investments that are readily realizable and intended to be held for not more than a year valued at cost. Any permanent reduction in the carrying amount or any reversals of such, reductions are charged or credited to the Statement of Profit & loss Account.

Non-current investments are stated at cost. Provision for diminution in the value of these investments is made only if such decline is other than temporary, in the opinion of the management.

## **7. Inventories**

Inventories consist of Stock in Trade are valued at Cost or Net Realizable Value, whichever is lower.

## **8. Revenue Recognition**

Revenue from the operations is recognized on generally accepted accounting principal and when it is earned and no significant uncertainty exists as to its ultimate collection and includes taxes, wherever applicable.

The capital gain on sale of investments if any are recognized on completion of transaction. No notional profit/loss are recognized on such investments.

Interest income is recognized on time proportion basis, when it is accrued and due for payment.

## **9. Borrowing Cost**

Borrowing cost that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

## **10. Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

## **11. Employee Benefits**

Short – term employee benefits are recognized as an expense at the undiscounted amount in the profit & loss account of the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the profit & loss account for the year in which

the liabilities are crystallized.

## 12. Taxes on Income

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## 13. Foreign Currency Translation

a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are restated at closing rate.

b) Any exchange difference on account of settlement of foreign currency transaction and restatement of monetary assets and liabilities denominated in foreign currency is recognized in the statement of Profit & loss Account.

## 14. Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

## B. NOTES ON ACCOUNTS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

### 2. Segment Reporting

The company is primarily engaged in manufacturing & exporting of Conveyor & Transmission Rubber Belting. Segment Reporting is not applicable on the company as it has no multiple Business or Geographical Segments.

### 3. Post-Employment Benefits:

<b>I.ASSUMPTIONS</b>	<b>For the Period Ended on September 30, 2022</b>	<b>For the Year Ended on March 31,2022</b>	<b>For the Year Ended on March 31,2021</b>	<b>For the Year Ended on March 31,2020</b>
Discount Rate	7.25	7.25	7.25	7.25
Expected Rate of Salary Increase	5.00%	5.00%	5.00%	5.00%
Mortality Rate	IALM2012-14	IALM2012-14	IALM2012-14	IALM2012-14
Retirement	60 Years	60 Years	60 Years	60 Years
<b>II.CHANGE IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS</b>	<b>For the Period Ended on September 30, 2022</b>	<b>For the Year Ended on March 31,2022</b>	<b>For the Year Ended on March 31,2021</b>	<b>For the Year Ended on March 31,2020</b>
Defined Benefit Obligation at beginning of the year	<b>5.50</b>	<b>4.18</b>	<b>3.11</b>	<b>2.95</b>
Current Service Cost	0.20	0.30	0.22	0.16
Interest cost	1.11	2.00	1.99	0.00
Actuarial(Gains)/Losses on Obligations-Due to Change in Financial Assumptions	0.09	(0.98)	(1.14)	0.00
Defined Benefit Obligation as at end of the	<b>6.90</b>	<b>5.50</b>	<b>4.18</b>	<b>3.11</b>





year.				
<b>III.AMOUNT RECOGNIZED IN THE BALANCESHEET:</b>	<b>For the Period Ended on September 30, 2022</b>	<b>For the Year Ended on March 31,2022</b>	<b>For the Year Ended on March 31,2021</b>	<b>For the Year Ended on March 31,2020</b>
Net liability as at beginning of the year	5.50	4.18	3.11	2.95
Net expense recognized in the Statement of Profit and Loss	1.40	1.32	1.07	0.16
Expected Return on Plan Assets	-	-	-	-
Net liability as at end of the year	6.90	5.50	4.18	3.11
<b>IV.EXPENSE RECOGNIZED:</b>	<b>For the Period Ended on September 30, 2022</b>	<b>For the Year Ended on March 31,2022</b>	<b>For the Year Ended on March 31,2021</b>	<b>For the Year Ended on March 31,2020</b>
Current Service Cost	0.20	0.30	0.22	0.16
Interest Cost	1.11	2.00	1.99	0.00
Return on Plan Assets	-	-	-	-
Actuarial(Gains)/Losses on Obligations-Due to Change in Financial Assumptions	0.09	(0.98)	(1.14)	0.00
Expense charged to the Statement of Profit and Loss	1.40	1.32	1.07	0.16
<b>V.BALANCE SHEETRECONCILIATION:</b>	<b>For the Period Ended on September 30, 2022</b>	<b>For the Year Ended on March 31,2022</b>	<b>For the Year Ended on March 31,2021</b>	<b>For the Year Ended on March 31,2020</b>
Opening net liability	5.50	4.18	3.11	2.95
Expense as above	1.40	1.32	1.07	0.16
Provision Related to Previous Year booked as Prior Period Items	-	-	-	-
Return on Plan Assets	-	-	-	-
Benefits Paid	-	-	-	-
Net liability/(asset) recognized in the balance sheet.	6.90	5.50	4.18	3.11

**4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)**

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on September 30, 2022 except as mentioned in Annexure-H, for any of the years covered by the statements.

**5. Related Party Disclosure (AS 18)**

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – J of the enclosed financial statements.

**6. Accounting for Taxes on Income (AS 22)**

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under.

Particulars	As at	As at 31st March		
	30.09.2022	2022	2021	2020
WDV as per Companies Act, 2013 (A)	113.25	134.04	172.07	199.65
WDV as per Income tax Act, 1961 (B)	191.56	203.86	238.01	251.42
Difference in WDV (A-B)	(78.31)	(69.82)	(65.94)	(51.77)

Unabsorbed Depreciation	0.00	(47.83)	(47.83)	(47.83)
Total Timing Difference	(78.31)	(117.65)	(113.77)	(99.61)
Deferred Tax (Asset)/ Liability '©	(21.79)	(29.41)	(28.44)	(24.90)
Gratuity Closing Balance Books (C)	6.90	5.50	4.18	3.11
Gratuity Closing Balance Income Tax (D)	0.00	0.00	0.00	0.00
Difference Gratuity (D-C)	6.90	5.50	4.18	3.11
Deferred Tax (Asset)/ Liability on Gratuity	(1.92)	(1.38)	(1.05)	(0.78)
Restated Closing Balance of Deferred Tax (Asset)/ Liability	(21.79)	(30.79)	(29.49)	(25.68)
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	(30.79)	(29.49)	(25.68)	(31.11)
Deferred Tax (Assets)/ Liability charged to Profit & Loss	9.00	(1.30)	(3.81)	5.43

### MATERIAL ADJUSTMENTS TO RESTATED FINANCIAL STATEMENTS

#### 1. Material Regrouping:

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

#### 2. Material Adjustments :

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

Particulars	For the Period Ended	For The Year Ended March 31,		
	30.09.2022	2022	2021	2020
<b>(A) Net Profits as per audited financial statements</b>	135.47	297.30	106.44	93.19
<b>Add/(Less): Adjustments on account of-</b>				
1) Change in Current Tax	0.00	(2.01)	(0.35)	(0.02)
2) Difference on Account of Calculation in Deferred Tax	4.00	(2.21)	0.27	0.78
3) Difference on Account of Calculation in Depreciation	0.00	10.17	0.00	0.00
4) Difference on Account of Provision for Gratuity	1.11	3.69	3.93	(0.16)
5) Difference on Account of Provision of Income Tax Expenses/MAT	(0.02)	1.72	0.01	0.02
<b>Total Adjustments(B)</b>	5.09	11.36	3.86	0.62
<b>Restated Profit/(Loss)(A+B)</b>	<b>140.56</b>	<b>308.66</b>	<b>110.30</b>	<b>93.81</b>

#### 3. Explanatory notes to the above restatements to profits made in the audited Standalone Financial Statements of the Company for the respective years::

##### i. Difference on Account of Change in Deferred Tax

Depreciation was excess provided on one of the assets in Audited financials of which effect has been given in Restated Financials along with calculation of Deferred Tax on Gratuity. Due to these, Deferred Tax Calculation got changed.

##### ii. Difference on Account of Change in Provision for Income Tax and Mat

Due to changes in Depreciation and Gratuity, Provision for Current tax and Mat Entitlement has changed.

### iii. Difference on Account of Change in Depreciation Calculation

Depreciation was excess provided on one of the assets in Audited financials of which effect has been given in Restated Financials.

### iv. Difference on Account of Provision for Gratuity

Gratuity was provided in Audited Financial statements on adhoc basis but provided in Restated Financials on the basis of Valuation Report of Actuary.

### Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

Particulars	For the Period Ended	For The Year Ended March 31,		
	30.09.2022	2022	2021	2020
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	686.56	541.20	244.26	137.81
Add/(Less): Adjustments on account of change in Profit/Loss	5.09	11.36	3.86	0.62
Add/(Less): Adjustments on account to Prior Period Items	3.35	1.87	(2.34)	(2.95)
<b>Total Adjustments(B)</b>	<b>8.44</b>	<b>13.23</b>	<b>1.52</b>	<b>(2.33)</b>
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	<b>695.00</b>	<b>554.43</b>	<b>245.78</b>	<b>135.48</b>

### 4. ADJUSTMENTS HAVING NO IMPACT ON NETWORTH AND PROFIT:

#### Material Regrouping:

Appropriate regroupings have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited Standalone Financial Statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended)

### 5. Trade Payable Ageing Summary

#### 30.09.2022

Particulars	Outstanding for following periods from due date of payment /Invoice date				Total
	Less than 1year	1-2 years	2-3 years	More than 3years	
(i) MSME	0.00	0.00	0.00	0.00	0.00
(ii) Others	301.61	7.47	2.03	6.95	318.05
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues – Others	0.00	0.00	0.00	0.00	0.00

#### 31.03.2022

Particulars	Outstanding for following periods from due date of payment /Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3years	
(i) MSME	0.00	0.00	0.00	0.00	0.00
(ii) Others	231.23	10.09	1.91	9.35	252.57
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues – Others	0.00	0.00	0.00	0.00	0.00

**31.03.2021**

Particulars	Outstanding for following periods from due date of payment /Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.00	0.00	0.00	0.00	0.00
(ii) Others	428.11	16.86	8.64	3.01	456.62
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues – Others	0.00	0.00	0.00	0.00	0.00

**31.03.2020**

Particulars	Outstanding for following periods from due date of payment /Invoice date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.00	0.00	0.00	0.00	0.00
(ii) Others	561.84	9.64	1.60	8.83	581.93
(iii) Disputed dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed dues – Others	0.00	0.00	0.00	0.00	0.00

**6. Trade Receivable Ageing Summary**
**30.09.2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 years	1-2 years	2-3 years	Morethan 3years	
(i) Undisputed Trade Receivable –considered good	658.31	35.73	45.33	4.72	146.33	890.42
(ii) Undisputed Trade Receivable – considered doubtful	0.00	0.00	0.00	0.00	82.88	82.88
(iii) Disputed Trade Receivable – consideredgood	0.00	0.00	0.00	0.00	18.07	18.07
(iv) Disputed Trade Receivable – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00

**31.03.2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	Morethan 3years	
(i) Undisputed Trade Receivable –considered good	501.77	115.59	62.52	11.13	146.33	837.34
(ii) Undisputed Trade Receivable – considereddoubtful	0.00	0.00	0.00	0.00	82.88	82.88
(iii) Disputed Trade Receivable – consideredgood	0.00	0.00	0.00	15.99	5.04	21.03
(iv) Disputed Trade Receivable – considereddoubtful	0.00	0.00	0.00	0.00	0.00	0.00



**31.03.2021**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivable – considered good	335.34	431.82	17.26	0.00	166.63	951.05
(ii) Undisputed Trade Receivable – considered doubtful	0.00	0.00	0.00	0.00	88.47	88.47
(iii) Disputed Trade Receivable – considered good	0.00	0.00	15.99	0.00	5.04	21.03
(iv) Disputed Trade Receivable – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00

**31.03.2020**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivable – considered good	347.10	29.42	0.58	0.00	313.28	690.40
(ii) Undisputed Trade Receivable – considered doubtful	0.00	0.00	0.00	0.00	88.47	88.47
(iii) Disputed Trade Receivable – considered good	0.00	0.00	0.00	0.00	5.04	5.04
(iv) Disputed Trade Receivable – considered doubtful	0.00	0.00	0.00	0.00	0.00	0.00

**7. Accounting Ratios:**

S. No.	Particular	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	Reason for Movement
(a)	Current Ratio	2.02	1.97	1.62	1.65	Reason is not required since movement is not more than 25%
(b)	Debt-Equity Ratio	2.23	3.17	6.71	9.19	Debt Equity Ratio has been decreased in all years due to their repayments.
(c)	Debt Service Coverage Ratio	5.89	5.11	2.79	2.80	Movement in the year 2021 is not more than 25% so that reason is not required. Change in Year 2022 is more than 25% as Profitability was high in that year due to which earning available for debt service was more as compared to the year 2021.
(d)	Return on Equity Ratio	22.50%	77.14%	57.86%	103.71%	In the Year 2020, reserves of the company were in negative due to which Equity shareholders funds in proportion to earnings after tax was almost same. But in the year 2021, due to profitability, deficit in reserves were reduced. Same is the case in the year 2022. In Stub period, movement is high as profitability is for 6 months.
	Inventory	1.75	3.33	2.72	3.69	Movement in the year 2021 is more than 25% as value of Stock at year end



(e)	turnover ratio (in times)					was high. In Year 2022, movement is not more than 25%. In stub period, turnover is for 6 months only.
(f)	Trade Receivables turnover ratio (in times)	2.18	3.50	2.51	2.43	Movement in the year 2021 is not more than 25% so that reason is not required. Further the same has been increased in the subsequent period due to increase in turnover. In stub period, turnover is for 6 months only.
(g)	Trade payables turnover ratio (in times)	6.14	8.10	3.69	4.89	Movement in the year 2021 is not more than 25% so that reason is not required. Further the same has been increased in the year 2022 due to increase in purchases. Turnover and Profitability were also increased in 2022.
(h)	Net capital turnover ratio (in times)	1.37	2.26	1.93	1.83	Movement in year 2021 & 2022 is not more than 25% so reason is not required. In stub period, turnover is for 6 months only.
(i)	Net profit ratio	6.68%	8.81%	4.76%	4.85%	Movement in the year 2021 is not more than 25% so that reason is not required. Movement in the year 2022 is high due to high turnover.
(j)	Return on Capital employ	18.39%	31.39%	25.20%	25.25%	Movement in the year 2021 is not more than 25% so that reason is not required. In the year 2022 Return on Profitability was increased due to increased turnover and repayment of debt. In Stub period, movement is high as profitability is for 6 months.
(k)	Return on investment.	10.16%	25.21%	10.30%	9.03%	Movement in the year 2021 is not more than 25% so that reason is not required. Moreover, In the year 2022 Return on Investment was increased due to increased profitability and repayment of debt. In Stub period, movement is high as profitability is for 6 months.

Particulars	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities
Debt-Equity Ratio	Debt	Equity
Debt Service Coverage Ratio	Net operating Income	Total Debt Service
Return on Equity Ratio	Profit After Tax	Shareholder Equity
Inventory turnover ratio (in times)	Revenue from Operations	Average Inventory
Trade Receivables turnover ratio (in times)	Net Credit Sales	Average Trade Receivables
Trade payables turnover ratio (in times)	Net Credit Purchase	Average Trade Payables
Net capital turnover ratio (in times)	Turnover	Total Shareholder Equity
Net profit ratio	Profit After Tax	Total Sales
Return on Capital employed	Operating Profit	Total Capital Employed
Return on investment.	Profit After Tax	Total Investment



**ANNEXURE-A.1 Equity Share Capital**

(Rs in Lakhs)

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
<b>Equity Share Capital</b>				
<b>Authorised Share Capital</b>				
40,00,000 Equity Shares of Rs. 10 Each	400.00	400.00	400.00	400.00
<b>Total</b>	<b>400.00</b>	<b>400.00</b>	<b>400.00</b>	<b>400.00</b>
<b>Issued, Subscribed &amp; Fully Paid Up Share Capital</b>				
40,00,000 Equity Shares of Rs. 10 Each	400.00	400.00	400.00	400.00
<b>Total</b>	<b>400.00</b>	<b>400.00</b>	<b>400.00</b>	<b>400.00</b>

**A.1.1** The Company has raised its Equity Share Capital from 400,00,00 Equity Shares to 540,00,00 by way of Bonus issue in the ratio of 7:20 of 14,00,000 Equity shares of Face Value of Rs. 10 Each on November 24 , 2022

**A.1.2 Right, Preferences and Restrictions attached to Shares :**

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for on vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion of their shareholding.

**A.1.3 Reconciliation of Number of Shares**

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
<b>Equity Shares</b>				
Shares outstanding at the beginning of the year	4000000.00	4000000.00	4000000.00	4000000.00
Shares issued during the year	0.00	0.00	0.00	0.00
Share outstanding at the end of the year	<b>4000000.00</b>	<b>4000000.00</b>	<b>4000000.00</b>	<b>4000000.00</b>

**ANNEXURE – A.2 : Restated Statement of Reserves and Surplus**

(Rs in Lakhs)

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
<b>Balance in Statement of Profit &amp; Loss</b>				
Balance as at the beginning of the year	154.43	-154.22	-264.52	-355.38
Add: Profit for the year	140.56	308.66	110.30	93.81
Add: Previous Year Adjustments on account of Gratuity	0.00	0.00	0.00	-2.95
Add: Previous Year Adjustments	0.00	0.00	0.00	0.00
Less : Bonus Shares Issued during the year	0.00	0.00	0.00	0.00
Balance as at the end of the year	<b>295.00</b>	<b>154.43</b>	<b>-154.22</b>	<b>-264.52</b>
<b>Grand Total</b>	<b>295.00</b>	<b>154.43</b>	<b>-154.22</b>	<b>-264.52</b>

**ANNEXURE – A.3 :Restated Statement of Long Term Borrowings**

(Rs. in Lakhs)

Particulars	30.09.2022	As at 31st March		
		2022	2021	2020
<b>Secured:</b>				
From Bank:				
Car Loan	10.18	16.02	33.74	51.89
<b>Unsecured:</b>				
Loan from Bank/NBFC	25.61	41.83	0.00	0.00
Loan from Directors	793.41	920.60	898.60	848.60
Loan from others	0.00	0.00	3.00	3.00
<b>Total</b>	<b>829.20</b>	<b>978.45</b>	<b>935.34</b>	<b>903.49</b>

Note A.3.1: There were no re-schedulement or default in the repayment of loans taken by the Company.

Note A.3.2 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.3.2 STATEMENT OF PRINCIPAL TERMS OF UNSECURED LOANS**

(Rs in Lakhs)

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding amount as on
							30.09.2022
Amita Jain	Business Loan	61.25	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	61.25
Anil Kumar Jain	Business Loan	130.48	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	130.48
Anil Kumar Jain (HUF)	Business Loan	6.60	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	6.60
Ashish Jain	Business Loan	64.35	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	64.35
Ekta Jain	Business Loan	2.30	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	2.30
Gaurav Jain	Business Loan	33.40	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	33.40
Kamal Prabha Jain	Business Loan	74.15	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	74.15
Kanav Jain	Business Loan	1.10	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	1.10
Kaushal Jain	Business Loan	4.20	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	4.20
Lalit Jain (HUF)	Business Loan	3.35	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	3.35
Lalit Kumar Jain	Business Loan	22.63	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	22.63
Ruchika Jain	Business	3.70	Nil	Nil	At the time of winding up	Nil	3.70



	Loan				of operations of Company only, after paying all outside Liabilities.		
Subhash chand jain	Business Loan	21.83	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	21.83
Subhash chand jain HUF	Business Loan	5.90	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	5.90
Sarthak Jain	Business Loan	0.90	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	0.90
Saurabh Jain	Business Loan	27.34	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	27.34
Simmi Jain	Business Loan	1.65	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	1.65
Sumeesh Jain	Business Loan	29.70	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	29.70
Sumeesh Jain Huf	Business Loan	3.30	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	3.30
T K Jain	Business Loan	265.43	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	265.43
T K Jain HUF	Business Loan	3.20	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	3.20
Tanvi Jain	Business Loan	7.35	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	7.35
Tushar Jain	Business Loan	15.45	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	15.45
Vasudha Jain	Business Loan	3.85	Nil	Nil	At the time of winding up of operations of Company only, after paying all outside Liabilities.	Nil	3.85
		<b>793.41</b>					<b>793.41</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.3.3 STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS**
**(Rs in Lakhs)**

Name of Lender	Purpose	Sanctioned Amount	Securities offered	Rate of Interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
							30.09.2022
Toyota Financial Corporation	Car Loan	24.5	Car-Fortuner	7.99%	EMI of Rs. 49,677.00 in 60 months starting from 20.12.2017	NA	0.90
Toyota Financial Corporation	Car Loan	15.00	Car-Crysta	8.39%	EMI of Rs. 30,700.00 in 60 months starting from 20.05.2018	NA	2.04
ICICI Bank	Car Loan	24.20	Car-Alturas	9.91%	EMI of Rs. 51,287.00 in 60 months starting from 15.03.2019	NA	8.10
HDFC Bank	Car Loan	20.87	Car-Honda CRV	8.60%	EMI of Rs. 42,919.00 in 60 months starting from 05.02.2020	NA	10.85
HDFC Bank	Car Loan	4.40	Car-Swift	9.00%	EMI of Rs. 9,134.00 in 60 months starting from 05.12.2019	NA	2.15
HDFC Bank	ECLGS	93.62	Nil	8.25%	EMI of Rs. 2,94,455.00 in 48 months starting from 07.07.2021	1 Year	57.40
HDFC Bank	CC Limit	600.00	Industrial Estate	8.40%	NA	NA	290.09
AXIS Bank	OD Limit	300.00	Residential Property	8.90%	NA	NA	273.63
HDFC Bank	CC Limit	1.00	Industrial Estate	8.40%	NA	NA	0.61
National small Industries Corporation Limited	For Raw Material Assistance	110.00	Bank Guarantee	9.00%	Within 180 days from the date of disbursement.	NA	108.51
<b>Total</b>		<b>1193.59</b>					<b>754.29</b>

Note : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

Note: CC Limits, OD Limits & Current Account Balances are not provided here.

**ANNEXURE – A.4 : Restated Statement of Long Term Provisions**
**(Rs. in Lakhs)**

Particulars	30.09.2022	As at 31st March		
		2022	2021	2020
Provision for Gratuity	5.97	4.86	3.97	2.95
<b>Grand Total</b>	<b>5.97</b>	<b>4.86</b>	<b>3.97</b>	<b>2.95</b>

Note A.4.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.



**ANNEXURE – A.5 : Restated Statement of Short Term Borrowings**

(Rs. In Lakhs)

Particulars	30.09.2022	As at 31st March		
		2022	2021	2020
<b>Secured:</b>				
From Banks and NBFC	704.61	762.44	695.93	324.74
<b>Unsecured</b>				
From Others				
Current Maturities of Long Term Debt	13.87	17.72	18.15	16.64
<b>Total</b>	<b>718.48</b>	<b>780.16</b>	<b>714.09</b>	<b>341.38</b>

Note A.5.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.6 : Restated Statement of Trade Payables**

(Rs. In Lakhs)

Particulars	30.09.2022	As at 31st March		
		2022	2021	2020
Trade Payables due to				
- Micro and Small Enterprises	0.00	0.00	0.00	0.00
<b>- Others</b>				
- Promotor/Promotor Group	0.00	0.00	0.00	0.00
- Others	318.05	252.57	456.62	581.93
<b>Total</b>	<b>318.05</b>	<b>252.57</b>	<b>456.62</b>	<b>581.93</b>

Note A.6.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.7 : Restated Statement of Other Current Liabilities**

(Rs. In Lakhs)

Particulars	30.09.2022	As at 31st March		
		2022	2021	2020
Adv. Received from Trade Debtors	16.55	48.05	27.58	28.63
Payable to Other Creditors	40.74	51.34	66.66	42.58
Cheques Issued but not presented	0.00	3.81	9.55	4.06
Salaries & Wages Payable	12.66	10.45	2.01	7.12
Director's Remuneration	3.21	49.81	94.45	70.17
TDS Payable	0.90	1.31	1.15	0.57
EPF Payable	1.47	1.43	1.46	1.25
ESI Payable	0.34	0.34	0.35	0.19
GST Payable	35.10	6.00	14.18	0.62
Audit Fee Payable	0.85	0.60	0.30	0.30
Interest Payable	0.00	0.00	0.00	0.85
Labour Welfare Fund Payable	0.10	0.19	0.19	0.10
Other Payables	2.51	1.77	4.91	2.94
<b>Grand Total</b>	<b>114.43</b>	<b>175.11</b>	<b>222.78</b>	<b>159.38</b>

Note A.7.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.



**ANNEXURE – A.8 : Restated Statement of Short Term Provisions**

(Rs. In Lakhs)

Particulars	30.09.2022	As at 31st March		
		2022	2021	2020
Provision for Income Tax	65.21	55.93	10.18	8.02
Provision for Gratuity	0.92	0.63	0.21	0.16
<b>Grand Total</b>	<b>66.13</b>	<b>56.56</b>	<b>10.39</b>	<b>8.18</b>

Note A.8.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.9**

As At 30.09.2022

(Rs. in Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01st Apr 2022	Additions	Deletion/Sale	Balance as at 30th September 2022	Balance as at 01st Apr 2022	Depreciation charge for the period	Deletion - Sale/Loss/Other Adjustment	Balance as at 30th September 2022	Balance as at 01st Apr 2022	Balance as at 30th September 2022
<b>A. Property Plant &amp; Equipment</b>	-			-	-		-	-	-	-
Plant & Machineries	523.70	2.87	0.00	526.57	453.24	4.54	0.00	457.78	70.46	68.79
Furniture & Fixtures	17.59	0.19	0.00	17.78	9.15	1.02	0.00	10.17	8.43	7.60
Electrical Equipments	20.54	0.00	0.00	20.54	19.15	0.09	0.00	19.24	1.39	1.30
Vehicles	164.74	0.00	0.00	164.74	114.30	7.80	0.00	122.10	50.43	42.63
Computer & Software	6.10	0.00	0.00	6.10	5.42	0.09	0.00	5.51	0.68	0.59
Land & Building	88.87	0.00	0.00	88.87	1.90	0.13	0.00	2.03	86.97	86.84
									-	-
<b>Total (A)</b>	<b>821.54</b>	<b>3.06</b>	<b>0.00</b>	<b>824.60</b>	<b>603.17</b>	<b>13.67</b>	<b>0.00</b>	<b>616.84</b>	<b>218.37</b>	<b>207.76</b>

As At 31.03.2022

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01st Apr 2021	Additions	Deletion/Sale	Balance as at 31st March 2022	Balance as at 01st Apr 2021	Depreciation charge for the period	Deletion - Sale/Loss/Other Adjustment	Balance as at 31st March 2022	Balance as at 01st Apr 2021	Balance as at 31st March 2022
<b>A. Property Plant &amp; Equipment</b>										
Plant & Machineries	522.90	0.80	0.00	523.70	440.42	12.82	0.00	453.24	82.48	70.46
Furniture & Fixtures	17.59	0.00	0.00	17.59	6.42	2.73	0.00	9.15	11.16	8.43
Electrical Equipments	20.54	0.00	0.00	20.54	18.91	0.24	0.00	19.15	1.63	1.39
Vehicles	164.74	0.00	0.00	164.74	91.61	22.70	0.00	114.30	73.13	50.43
Computer & Software	5.84	0.26	0.00	6.10	5.09	0.33	0.00	5.42	0.75	0.68
Land & Building	88.87	0.00	0.00	88.87	1.62	0.28	0.00	1.90	87.25	86.97





									-	-
<b>Total (A)</b>	<b>820.48</b>	<b>1.06</b>	0.00	<b>821.54</b>	<b>564.07</b>	<b>39.10</b>	0.00	<b>603.17</b>	<b>256.40</b>	<b>218.37</b>

As At 31.03.2021

(Rs. in Lakhs)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2020	Additions	Deletion/Sale	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Depreciation charge for the period	Deletion-Sale/Loss/Other Adjustment	Balance as at 31 March 2021	Balance as at 01st Apr 2020	Balance as at 31 March 2021
<b>A. Property Plant &amp; Equipment</b>										
Plant & Machineries	513.42	22.41	12.93	522.90	435.41	17.11	12.11	440.42	78.02	82.48
Furniture & Fixtures	12.37	5.21	0.00	17.59	3.02	3.40	0.00	6.42	9.35	11.16
Electrical Equipments	20.54	0.00	0.00	20.54	18.25	0.66	0.00	18.91	2.29	1.63
Vehicles	164.74	0.00	0.00	164.74	58.38	33.22	0.00	91.61	106.35	73.13
Compuer & Software	5.24	0.60	0.00	5.84	4.82	0.27	0.00	5.09	0.42	0.75
Land & Building	88.87	0.00	0.00	88.87	1.32	0.31	0.00	1.62	87.55	87.25
<b>Total (A)</b>	<b>805.18</b>	<b>28.22</b>	<b>12.93</b>	<b>820.48</b>	<b>521.20</b>	<b>54.97</b>	<b>12.11</b>	<b>564.07</b>	<b>283.98</b>	<b>256.40</b>

As At 31.03.2020

(Rs. in Lakhs)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 01st Apr 2019	Additions	Deletion/Sale	Balance as at 31 March 2020	Balance as at 01st Apr 2019	Depreciation charge for the period	Deletion-Sale/Loss/Other Adjustment	Balance as at 31 March 2020	Balance as at 01st Apr 2019	Balance as at 31 March 2020
<b>A. Property Plant &amp; Equipment</b>										
Plant & Machineries	513.25	0.17	0.00	513.42	416.67	18.74	0.00	435.41	96.59	78.02
Furniture & Fixtures	2.91	9.46	0.00	12.37	2.27	0.76	0.00	3.02	0.64	9.35
Electrical Equipments	19.11	1.43	0.00	20.54	17.60	0.65	0.00	18.25	1.50	2.29
Vehicles	101.89	62.85	0.00	164.74	32.01	26.37	0.00	58.38	69.87	106.35
Compuer & Software	5.24	0.00	0.00	5.24	4.77	0.05	0.00	4.82	0.47	0.42
Land & Building	88.87	0.00	0.00	88.87	0.98	0.34	0.00	1.32	87.89	87.55
<b>Total (A)</b>	<b>731.26</b>	<b>73.92</b>	<b>0.00</b>	<b>805.18</b>	<b>474.29</b>	<b>46.91</b>	<b>0.00</b>	<b>521.20</b>	<b>256.97</b>	<b>283.98</b>

**ANNEXURE – A.10: Restated Statement of Deferred Tax Assets/(Liabilities) (Net)**

(Rs. In Lakhs)

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
<b>Deferred Tax Liability</b>				



Related to Fixed Assets	0.00	0.00	0.00	0.00
Loss Carried forward	0.00	0.00	0.00	0.00
<b>Total (a)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Deferred Tax Assets</b>				
Related to Fixed Assets	21.79	30.79	29.49	25.68
<b>Total (b)</b>	<b>21.79</b>	<b>30.79</b>	<b>29.49</b>	<b>25.68</b>
<b>Net deferred tax asset/(liability){(b)-(a)}</b>	<b>21.79</b>	<b>30.79</b>	<b>29.49</b>	<b>25.68</b>

Note A.10.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.11 : Restated Statement of Other Non-Current Assets**

(Rs. In Lakhs)

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
Security Deposits	60.83	61.11	35.41	23.93
<b>Grand Total</b>	<b>60.83</b>	<b>61.11</b>	<b>35.41</b>	<b>23.93</b>

Note A.11.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.12 : Restated Statement of Inventories**

(Rs. In Lakhs)

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
Raw Material	1247.52	1149.29	942.85	751.37
WIP	0.00	0.00	0.00	0.00
Consumables, Stores & Spares	2.53	3.72	10.29	0.00
Finished Stocks	0.00	0.00	0.00	0.00
Trading Products	0.00	0.00	0.00	0.00
<b>Grand Total</b>	<b>1250.05</b>	<b>1153.01</b>	<b>953.14</b>	<b>751.37</b>

Note A.12.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.13 : Restated Statement of Trade Receivables**

(Rs. In Lakhs)

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
<b>Outstanding for a period exceeding six months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	0.00	0.00	0.00	0.00
Others	333.07	439.49	725.21	436.81
<b>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</b>				
From Directors/Promoters/Promoter Group/Associates/Relatives of Directors/ Group Companies.	0.00	0.00	0.00	0.00
Others	658.31	501.77	335.34	347.11
<b>Grand Total</b>	<b>991.38</b>	<b>941.26</b>	<b>1,060.55</b>	<b>783.92</b>

Note A.13.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.14 : Restated Statement of Cash and Bank Balances**
**(Rs. In Lakhs)**

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
<u>Cash &amp; Cash Equivalents</u>				
Cash in hand	21.87	14.35	0.66	9.87
<u>Balances with Banks:</u>				
In Current Accounts	1.76	1.01	0.93	7.09
In Deposit Accounts	60.07	58.78	44.36	31.84
<b>Grand Total</b>	<b>83.70</b>	<b>74.13</b>	<b>45.95</b>	<b>48.80</b>

Note A.14.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – A.15 : Restated Statement of Other Current Assets**
**(Rs. In Lakhs)**

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
Balances With Revenue Authorities	90.11	112.85	63.03	53.44
TDS Receivable	0.00	0.00	0.00	0.37
GST Refundable	0.00	2.24	0.00	11.53
GST Cash Deposit	0.08	0.07	0.02	0.03
TCS Receivable	0.00	0.00	0.00	1.48
Prepaid Insurance	2.46	0.44	1.67	2.99
Prepaid Expenses	6.57	3.71	2.69	2.59
Others	32.54	204.17	140.61	142.68
<b>Grand Total</b>	<b>131.76</b>	<b>323.49</b>	<b>208.03</b>	<b>215.12</b>

Note A.15.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.1: Restated Statement of Revenue from Operations**
**(Rs in Lakhs)**

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
Sale of Industrial Products:				
Domestic Sales	2,103.80	3352.63	2211.29	1,761.54
Direct Export Sales	0.00	150.02	105.10	171.50
<b>Revenue from operations</b>	<b>2103.80</b>	<b>3502.65</b>	<b>2316.39</b>	<b>1933.03</b>

Note B.1.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.2 : Restated Statement of Other Income**
**(Rs. In Lakhs)**

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
Interest received	0.00	0.00	2.07	1.93
Other Incomes	1.70	8.94	1.24	4.29
<b>Grand Total</b>	<b>1.70</b>	<b>8.94</b>	<b>3.31</b>	<b>6.22</b>



Note B.2.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.3 : Restated Statement of Cost of Material Consumed**

(Rs. In Lakhs)

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
Opening Stock	1,149.29	942.85	731.81	297.57
Add: Purchases	1692.52	2,758.68	1,816.23	1,839.40
Add: Manufacturing Expenses	58.52	114.04	102.05	96.32
Less: Closing Stock	1247.52	1,149.29	942.85	731.81
<b>Grand Total</b>	<b>1,652.80</b>	<b>2,666.28</b>	<b>1,707.24</b>	<b>1,501.48</b>

Note B.3.1: The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.4 : Restated Statement of Employee Benefit Expense**

(Rs. In Lakhs)

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
Salaries & Wages	65.94	116.69	109.22	87.67
Director Remuneration	22.5	45.00	45.00	27.00
Staff Welfare Charges	0.47	2.01	0.00	0.00
Employer Contribution to PF	4.44	8.47	7.75	6.55
Employer Contribution to ESI	1.59	3.11	2.97	2.57
Bonus	2.83	0.00	0.00	0.00
Gratuity-New	1.39	1.31	1.07	0.16
Employee Welfare Fund	0.08	0.16	0.15	0.13
<b>Grand Total</b>	<b>99.23</b>	<b>176.75</b>	<b>166.16</b>	<b>124.08</b>

Note B.4.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.5 : Restated Statement of Finance costs**

(Rs. In Lakhs)

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
Interest paid	29.41	66.20	67.21	59.59
Bank Charges & Commission	4.91	7.68	8.24	7.42
<b>Grand Total</b>	<b>34.32</b>	<b>73.88</b>	<b>75.45</b>	<b>67.01</b>

Note B.5.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.6 : Restated Statement of Depreciation & Amortization**

(Rs. In Lakhs)

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
Depreciation	13.67	39.10	54.97	46.91
<b>Grand Total</b>	<b>13.67</b>	<b>39.10</b>	<b>54.97</b>	<b>46.91</b>

Note B.6.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.7 : Restated Statement of Other Expenses**
**(Rs. In Lakhs)**

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
Advertisement Expenses	0.00	0.07	0.00	0.00
Auditors Remuneration	0.25	0.30	0.30	0.30
Accountancy Charges	0.15	0.30	0.30	0.30
Commission & Brokerage	4.00	9.50	10.16	2.41
Courier Charges	0.00	0.68	0.74	0.38
Electricity Expenses	0.00	4.92	3.29	1.65
Export Expenses	0.00	6.96	6.21	8.55
Freight & Cartage Outward	41.15	110.62	79.38	58.55
Fees & Taxes	4.32	4.88	3.36	5.65
Foreign Exchange Fluctuation	0.02	0.00	0.00	0.00
Inspection Charges	0.15	0.00	2.67	2.05
Rent Expenses	1.98	3.97	3.58	3.46
Computer Maintenance Charges	0.38	0.68	0.39	1.97
Rebate & Discount	0.00	28.77	19.74	0.00
General Insurance	2.69	5.38	6.08	5.06
Late Delivery Charges	0.00	4.05	0.00	0.00
Loss on sale of Scrips	0.00	0.07	0.00	0.00
Loss on sale of fixed Asset	0.00	0.00	0.32	0.16
Medical Expenses	0.27	2.00	0.00	0.00
Office Expenses	1.50	0.23	0.00	0.00
Printing & Stationary Expenses	0.15	1.02	0.55	0.13
Professional & Consultancy Charges	1.70	3.22	2.68	3.47
Sanitation Exps	0.12	0.00	1.96	0.00
Subscription Expenses	0.08	0.00	0.18	0.16
Telephone & Internet Expenses	0.30	1.31	0.78	2.63
Travelling Exp	17.81	23.50	26.10	21.06
Vehicle Maintenance	1.00	2.74	1.95	2.02
<b>Grand Total</b>	<b>78.04</b>	<b>215.17</b>	<b>170.72</b>	<b>119.95</b>

Note B.7.1 : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE – B.8 : Restated Statement of Deferred Tax (Assets)/Liabilities**
**(Rs. In Lakhs)**

Particulars	As at 31st March			
	30.09.2022	2022	2021	2020
WDV as per Companies Act, 2013 (A)	113.25	134.04	172.07	199.65
WDV as per Income tax Act, 1961 (B)	191.56	203.86	238.01	251.42
Difference in WDV (A-B)	-78.31	-69.82	-65.94	-51.77
Unabsorbed Depreciation	0.00	-47.83	-47.83	-47.83
Total Timing Difference	-78.31	-117.65	-113.77	-99.61
Deferred Tax (Asset)/ Liability '©	-21.79	-29.41	-28.44	-24.90
Gratuity Closing Balance Books (C)	6.90	5.50	4.18	3.11

Gratuity Closing Balance Income Tax (D)	0.00	0.00	0.00	0.00
Difference Gratuity (D-C)	6.90	5.50	4.18	3.11
Deferred Tax (Asset)/ Liability on Gratuity	-1.92	-1.38	-1.05	-0.78
Restated Closing Balance of Deferred Tax (Asset)/ Liability	-21.79	-30.79	-29.49	-25.68
Deferred Tax (Assets)/ Liability as per Balance sheet of Previous Year	-30.79	-29.49	-25.68	-31.11
Deferred Tax (Assets)/ Liability charged to Profit & Loss	9.00	-1.30	-3.81	5.43

Note B.8.1 : The above statements should be read with the significant accounting policies and notes to restated summary, statement of assets and liabilities, profits and losses and cash flows appearing in Annexure IV, I, II III.

### ANNEXURE- E: Statement of Material Adjustment To The Restated Financial Statement

Appropriate adjustments have been made in the Restated Standalone Financial Statements of Assets and Liabilities, Profit and Losses and Cash Flows, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the regroupings as per the audited financial statements of the company and the requirements of SEBI Regulations.

#### 1. Material Adjustments :

The Summary of results of restatement made in the Audited Financial Statements for the respective years and its impact on the profit/(loss) of the Company is as follows:

(Rs. In Lakhs)

Particulars	For The Period	For The Year Ended March 31,		
	30.09.2022	2022	2021	2020
<b>(A) Net Profits as per audited financial statements (A)</b>	135.47	297.30	106.44	93.19
<b>Add/(Less): Adjustments on account of-</b>				
1) Change in Provision for Current Tax	0.00	(2.01)	(0.35)	(0.02)
2) Difference on Account of Calculation in Deferred Tax	4.00	(2.21)	0.27	0.78
3) Difference on Account of Calculation in Depreciation	0.00	10.17	0.00	0.00
4) Difference on Account of Provision for Gratuity	1.11	3.69	3.93	(0.16)
4) Difference on Account of Provision of Income Tax Expenses/MAT	(0.02)	1.72	0.01	0.02
<b>Total Adjustments(B)</b>	5.09	11.36	3.86	0.62
<b>Restated Profit/(Loss)(A+B)</b>	<b>140.56</b>	<b>308.66</b>	<b>110.30</b>	<b>93.81</b>

#### Reconciliation Statement between Restated Reserve & Surplus affecting Equity due to Adjustment made in Restated Financial Statements:

Particulars	For The Period	For The Year Ended March 31,		
	30.09.2022	2022	2021	2020
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Audited financial Statement</b>	686.56	541.20	244.26	137.81
Add/(Less): Adjustments on account of change in Profit/Loss	5.09	11.36	3.86	0.62
Add/(Less): Adjustments on account to Prior Period Items	3.35	1.87	(2.34)	(2.95)
<b>Total Adjustments(B)</b>	8.44	13.23	1.52	(2.33)
<b>Equity Share Capital &amp; Reserves &amp; Surplus as per Restated Financial Statement</b>	695.00	554.43	245.78	135.48

### ANNEXURE- F : Restated Statement of Tax shelter

(Rs. in Lakhs)

Sr. No	Particulars	30.09.2022	As at 31st March		
			2022	2021	2020
<b>A</b>	<b>Restated Profit before tax</b>	207.10	316.01	107.89	99.24
	Short Term Capital Gain at special rate		-	-	-
	Normal Corporate Tax Rates (%)	27.82%	26.00%	26.00%	26.00%
	Short Term Capital Gain at special rate		-	-	-
	MAT Tax Rates (%)	15.60%	16.70%	15.60%	15.60%
<b>B</b>	<b>Tax thereon (including surcharge and education cess)</b>				
	Tax on normal profits	57.62	82.16	28.05	25.80





	Short Term Capital Gain at special rate		-	-	-
	<b>Total</b>	<b>57.62</b>	<b>82.16</b>	<b>28.05</b>	<b>25.80</b>
	<b>Adjustments:</b>				
<b>C</b>	<b>Permanent Differences</b>				
	Deduction allowed under Income Tax Act	0.00	0.00		
	Exempt Income	0.00	0.00	0.00	0.00
	Allowance of Expenses under the Income Tax Act Section 35	0.00	0.00	0.00	0.00
	Disallowance of Income under the Income Tax Act	0.00	0.00	0.00	0.00
	Disallowance of Expenses under the Income Tax Act	0.00	0.00	0.00	0.00
	<b>Total Permanent Differences</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>D</b>	<b>Timing Differences</b>				
	Difference between Depreciation as per Income tax, 1961 and Companies Act 2013	-1.68	3.89	13.84	9.98
	Provision for Gratuity disallowed	1.39	1.32	1.07	0.16
	Expense disallowed u/s 43B		1.31	2.00	1.94
	<b>Total Timing Differences</b>	<b>(0.29)</b>	<b>6.52</b>	<b>16.91</b>	<b>12.08</b>
<b>E</b>	<b>Net Adjustments E= (C+D)</b>	<b>(0.29)</b>	<b>6.52</b>	<b>16.91</b>	<b>12.08</b>
<b>F</b>	<b>Tax expense/(saving) thereon</b>	<b>(0.08)</b>	<b>1.70</b>	<b>4.40</b>	<b>3.14</b>
<b>G</b>	<b>Total Income/(loss) (A+E)</b>	<b>206.81</b>	<b>322.53</b>	<b>124.80</b>	<b>111.32</b>
	<b>Less: Brought Forward Losses</b>	<b>0</b>	<b>310.30</b>	<b>124.80</b>	<b>111.32</b>
	<b>Taxable Income as per Normal Provisions</b>	<b>206.81</b>	<b>12.23</b>	<b>0.00</b>	<b>(0.00)</b>
	Taxable Income/ (Loss) as per MAT	207.10	316.01	107.89	99.24
	Less: Brought Forward Losses	0.00	0.00	47.83	47.83
	Add/Less: Other Adjustments u/s 115JB	1.39	1.31	1.39	0.16
	<b>Taxable Income/ (Loss) as per MAT</b>	<b>208.49</b>	<b>317.32</b>	<b>61.45</b>	<b>51.41</b>
<b>I</b>	<b>Income Tax as per normal provision</b>	<b>57.54</b>	<b>3.18</b>	<b>0.00</b>	<b>(0.00)</b>
<b>J</b>	<b>Income Tax under Minimum Alternative Tax under Section 115 JB of the Income Tax Act</b>	<b>32.49</b>	<b>52.99</b>	<b>9.59</b>	<b>8.02</b>
	<b>Net Tax Expenses (Higher of I,J)</b>	<b>57.54</b>	<b>52.99</b>	<b>9.59</b>	<b>8.02</b>
<b>K</b>	Relief u/s 90/91	-	-	-	-
	<b>Total Current Tax Expenses</b>	<b>57.54</b>	<b>52.99</b>	<b>9.59</b>	<b>8.02</b>
<b>L</b>	Adjustment for Interest on income tax/ others/Mat Asset Creation/Utilization	-	5.47	1.40	-
	<b>Total Current Tax Expenses</b>	<b>57.54</b>	<b>58.46</b>	<b>10.99</b>	<b>8.02</b>

**Note :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE-G : Restated Statement of Capitalization**

(Rs. In Lakhs)

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	829.20	829.20
B	Short Term Debt*	718.48	718.48
C	<b>Total Debt</b>	<b>1,547.68</b>	<b>1,547.68</b>
	<b>Equity Shareholders Funds</b>		



	Equity Share Capital#	400.00	**
	Reserves and Surplus	295.00	**
D	<b>Total Equity</b>	<b>695.00</b>	<b>**</b>
	Long Term Debt/ Equity Ratio (A/D)	1.19	**
	Total Debt/ Equity Ratio (C/D)	2.23	**
Notes :			
* The amounts are consider as outstanding as on 30.09.2022			
** Post Issue figures are not available since Issue Price is not yet finalized			

**ANNEXURE-H: Restated Statement of Contingent Liabilities**

(Rs. in Lakhs)

Particulars	As at	As at 31st March		
	30.09.2022	2022	2021	2020
1. Bank Guarantee/ LC Discounting for which FDR margin money has been given to the bank as Security	243.02	283.06	263.03	41.96
2. Capital Commitment	-	-	-	-
3. Income Tax Demand	-	-	-	-
4. TDS Demands	-	-	-	-
5. ESIC Demand	-	-	-	-
<b>Total</b>	243.02	283.06	263.03	41.96

**ANNEXURE - I : RESTATED STATEMENT OF ACCOUNTING RATIOS**

Particulars	As at	As at 31st March		
	30.09.2022	2022	2021	2020
Restated PAT as per P& L Account (Rs. in Lakhs)	140.56	308.66	110.30	93.81
<b>EBITDA</b>	255.09	428.98	238.32	213.16
<b>Actual No. of Equity Shares outstanding at the end of the period</b>	4,000,000	4,000,000	4,000,000	4,000,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	5,400,000	5,400,000	5,400,000	5,400,000
Net Worth	695.00	554.43	245.78	135.48
<b>Return on Net Worth (%)</b>	20.22	55.67	44.88	69.24
Current Assets	2456.89	2491.89	2267.67	1799.21
Current Liabilities	1217.09	1264.41	1403.88	1090.86
<b>Earnings Per Share</b>				
Basic EPS (Pre Bonus)	3.51	7.72	2.76	2.35
Eps (Post Bonus)	2.60	5.72	2.04	1.74
<b>Net Asset Value Per Share</b>				
Pre Bonus	17.37	13.86	6.14	3.39
Post Bonus	12.87	10.27	4.55	2.51
<b>Current Ratio</b>	2.02	1.97	1.62	1.65
<b>EBITDA</b>	255.09	428.98	238.32	213.16
Nominal Value per Equity share(Rs.)	10	10	10	10

\* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

**Notes :**

1) The ratios have been calculated as below:

- a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
- b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year.
- c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
- d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.

2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares.

3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.

4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

Particular	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020	Reason for Movements
Current Ratio	2.02	1.97	1.62	1.65	Reason in not required since movement is not more than 25%
Debt-Equity Ratio	2.23	3.17	6.71	9.19	Debt Equity Ratio has been decreased in all years due to their repayments.
Debt Service Coverage Ratio	5.89	5.11	2.79	2.80	Movement in the year 2021 is not more than 25% so that reason is not required. Change in Year 2022 is more than 25 % as Profitability was high in that year due to which earning available for debt service was more as compared to the year 2021
Inventory Turnover Ratio	1.75	3.33	2.72	3.69	Movement in the year 2021 is more than 25% as value of Stock at year end was high. In Year 2022, movement is not more than 25%. In stub period, turnover is for 6 months only.
Return on Equity Ratio	22.50%	77.14%	57.86%	103.71%	In the Year 2020, reserves of the company were in negative due to which Equity shareholders funds in proportion to earnings after tax was almost same. But in the year 2021, due to profitability, deficit in reserves were reduced. Same is the case in the year 2022. In Stub period, movement is high as profitability is for 6 months.



Trade Receivables turnover ratio	2.18	3.50	2.51	2.43	Movement in the year 2021 is not more than 25% so that reason is not required. Further the same has been increased in the subsequent period due to increase in turnover. In stub period, turnover is for 6 months only.
Trade payables turnover ratio	6.14	8.10	3.69	4.89	Movement in the year 2021 is not more than 25% so that reason is not required. Further the same has been increased in the year 2022 due to increase in purchases. Turnover and Profitability were also increased in 2022.
Net capital turnover ratio	1.37	2.26	1.93	1.83	Movement in year 2021 & 2022 is not more than 25% so reason is not required. In stub period, turnover is for 6 months only.
Net profit ratio	6.68%	8.81%	4.76%	4.85%	Movement in the year 2021 is not more than 25% so that reason is not required. Movement in the year 2022 is high due to high turnover.
Return on Capital employed	18.39%	31.36%	25.20%	25.25%	Movement in the year 2021 is not more than 25% so that reason is not required. In the year 2022 Return on Profitability was increased due to increased turnover and repayment of debt. In Stub period, movement is high as profitability is for 6 months.
Return on investment.	10.16%	25.21%	10.30%	9.03%	Movement in the year 2021 is not more than 25% so that reason is not required. Moreover ,In the year 2022 Return on Investment was increased due to increased profitability and repayment of debt. In Stub period, movement is high as profitability is for 6 months.

**ANNEXURE-J(i) : Restated Statement of related party transaction**

As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.

i. List of Related Parties and Nature of Relationship :

Particulars	Name of Related Parties
a) Key Management Personnel's	Anil Jain
	Ashish Jain
	Lalit Jain
	Saurabh Jain
b) Relatives of Key Management Personnel	Amita Jain
	Sumeesh Jain
	Ekta Jain
	Simmi Jain
	Gaurav Jain
	Tarsem Kumar Jain

	Kamal Prabha Jain
	Kanav Jain
	Kaushal Jain
	Ruchika Jain
	Subhash Chand jain
	Tanvi Jain
	Tushar Jain
	Vasudha Jain
	Sarthak Jain
	Anil Kumar Jain (HUF)
	Lalit Jain (HUF)
	Subhash chand jain HUF
	Sumeesh Jain Huf
	Vasudha Jain

**Note 1 :** The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**ANNEXURE-J(ii) : Restated Statement of related party transaction**

(Rs in lakhs)

Nature of Transactions	Name of Related Parties	As at March 31			
		30.09.2022	2022	2021	2020
<b>1. Directors Remuneration</b>	Anil Jain	4.50	9.00	9.00	9.00
	Ashish Jain	12.00	24.00	24.00	24.00
	Saurabh Jain	6.00	12.00	12.00	12.00
<b>Total</b>		<b>22.50</b>	<b>45.00</b>	<b>45.00</b>	<b>45.00</b>
<b>2. Unsecured Loan</b>	<b>Anil Jain</b>				
	Opening Balance	102.75	91.25	91.25	91.25
	Add: Loan Received During the Year	27.73	11.50		-
	Less: Load Repaid During the year				-
	Closing Balance	<b>130.48</b>	<b>102.75</b>	<b>91.25</b>	<b>91.25</b>
	<b>Ashish Jain</b>				
	Opening Balance	60.05	10.05	10.05	<b>10.05</b>
	Add: Loan Received During the Year	4.3	50.00		
	Less: Load Repaid During the year				
	Closing Balance	<b>64.35</b>	<b>60.05</b>	<b>10.05</b>	<b>10.05</b>
	<b>Saurabh Jain</b>				
	Opening Balance	6.50	6.50	6.50	<b>6.50</b>
	Add: Loan Received During the Year	20.84			-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>27.34</b>	<b>6.50</b>	<b>6.50</b>	<b>6.50</b>
	<b>Lalit Jain</b>				
	Opening Balance	59.75	59.75	59.75	<b>59.75</b>
	Add: Loan Received During the Year	3.49			-
	Less: Load Repaid During the year	40.61	-		
	Closing Balance	<b>22.63</b>	<b>59.75</b>	<b>59.75</b>	<b>59.75</b>
<b>Amita Jain</b>					
Opening Balance	61.25	29.75	29.75	<b>29.75</b>	
Add: Loan Received During the Year		31.50		-	
Less: Load Repaid During the year		-			



Closing Balance	<b>61.25</b>	<b>61.25</b>	<b>29.75</b>	<b>29.75</b>
<b>Sumeesh Jain</b>				
Opening Balance	29.70	29.70	29.70	<b>29.70</b>
Add: Loan Received During the Year				-
Less: Load Repaid During the year		-		
Closing Balance	<b>29.70</b>	<b>29.70</b>	<b>29.70</b>	<b>29.70</b>
<b>Ekta Jain</b>				
Opening Balance	2.30	2.30	2.30	<b>2.30</b>
Add: Loan Received During the Year				-
Less: Load Repaid During the year		-		
Closing Balance	<b>2.30</b>	<b>2.30</b>	<b>2.30</b>	<b>2.30</b>
<b>Simmi Jain</b>				
Opening Balance	1.65	1.65	1.65	<b>1.65</b>
Add: Loan Received During the Year				-
Less: Load Repaid During the year		-		
Closing Balance	<b>1.65</b>	<b>1.65</b>	<b>1.65</b>	<b>1.65</b>
<b>Gaurav Jain</b>				
Opening Balance	33.40	7.40	7.40	<b>7.40</b>
Add: Loan Received During the Year		26.00		-
Less: Load Repaid During the year		-		
Closing Balance	<b>33.40</b>	<b>33.40</b>	<b>7.40</b>	<b>7.40</b>
<b>Tarsem Kumar Jain</b>				
Opening Balance	408.25	408.25	408.25	<b>408.25</b>
Add: Loan Received During the Year				-
Less: Load Repaid During the year	142.82	-		
Closing Balance	<b>265.43</b>	<b>408.25</b>	<b>408.25</b>	<b>408.25</b>
<b>Kamal Prabha Jain</b>				
Opening Balance	23.95	23.95	23.95	<b>23.95</b>
Add: Loan Received During the Year	50.2			-
Less: Load Repaid During the year		-		
Closing Balance	<b>74.15</b>	<b>23.95</b>	<b>23.95</b>	<b>23.95</b>
<b>Kanav Jain</b>				
Opening Balance	1.10	1.10	1.10	<b>1.10</b>
Add: Loan Received During the Year				-
Less: Load Repaid During the year		-		
Closing Balance	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>	<b>1.10</b>
<b>Kaushal Jain</b>				
Opening Balance	4.20	4.20	4.20	<b>4.20</b>
Add: Loan Received During the Year				-
Less: Load Repaid During the year		-		
Closing Balance	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>	<b>4.20</b>
<b>Ruchika Jain</b>				
Opening Balance	3.70	3.70	3.70	<b>3.70</b>
Add: Loan Received During the Year				-



	Less: Load Repaid During the year		-		
	Closing Balance	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>	<b>3.70</b>
	<b>Subhash Chand Jain</b>				
	Opening Balance	21.70	71.70	21.70	<b>21.70</b>
	Add: Loan Received During the Year	0.13		50.00	-
	Less: Load Repaid During the year		50.00		
	Closing Balance	<b>21.83</b>	<b>21.70</b>	<b>71.70</b>	<b>21.70</b>
	<b>Tanvi Jain</b>				
	Opening Balance	7.35	7.35	7.35	<b>7.35</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>7.35</b>	<b>7.35</b>	<b>7.35</b>	<b>7.35</b>
	<b>Tushar Jain</b>				
	Opening Balance	15.45	15.45	15.45	<b>15.45</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>15.45</b>	<b>15.45</b>	<b>15.45</b>	<b>15.45</b>
	<b>Vasudha Jain</b>				
	Opening Balance	3.85	3.85	3.85	<b>3.85</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>3.85</b>	<b>3.85</b>	<b>3.85</b>	<b>3.85</b>
	<b>Sarthak Jain</b>				
	Opening Balance	0.90	0.90	0.90	<b>0.90</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>0.90</b>	<b>0.90</b>	<b>0.90</b>	<b>0.90</b>
	<b>Anil Kumar Jain (HUF)</b>				
	Opening Balance	6.60	6.60	6.60	<b>6.60</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>6.60</b>	<b>6.60</b>	<b>6.60</b>	<b>6.60</b>
	<b>Lalit Jain (HUF)</b>				
	Opening Balance	3.35	3.35	3.35	<b>3.35</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>3.35</b>	<b>3.35</b>	<b>3.35</b>	<b>3.35</b>
	<b>Subhash Chand Jain (HUF)</b>				
	Opening Balance	5.90	5.90	5.90	<b>5.90</b>
	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>5.90</b>	<b>5.90</b>	<b>5.90</b>	<b>5.90</b>
	<b>Sumeesh Jain (HUF)</b>				
	Opening Balance	3.30	3.30	3.30	<b>3.30</b>





	Add: Loan Received During the Year				-
	Less: Load Repaid During the year		-		
	Closing Balance	<b>3.30</b>	<b>3.30</b>	<b>3.30</b>	<b>3.30</b>

**Note** : The above statements should be read with the significant accounting policies and notes to restated summary, profits and losses and cash flows appearing in Annexure D,A,B,C.

**OTHER FINANCIAL INFORMATION**

Particulars	As at	As at 31st March		
	30.09.2022	2022	2021	2020
Restated PAT as per P& L Account (Rs. in Lakhs)	140.56	308.66	110.30	93.81
<b>EBITDA</b>	255.09	428.98	238.32	213.16
<b>Actual No. of Equity Shares outstanding at the end of the period</b>	40,00,000	40,00,000	40,00,000	40,00,000
Weighted Average Number of Equity Shares at the end of the Period (Note -2)	54,00,000	54,00,000	54,00,000	54,00,000
Net Worth	695.00	554.43	245.78	135.48
Current Assets	2456.89	2491.89	2267.67	1799.21
Current Liabilities	1217.09	1264.41	1403.88	1090.86
	20.22	55.67	44.88	69.24
<b>Earnings Per Share</b>				
Basic EPS (Pre Bonus)	3.51	7.72	2.76	2.35
Eps (Post Bonus)	2.60	5.72	2.04	1.74
<b>Return on Net Worth</b>	20.22%	55.67%	44.88%	69.24%
<b>Net Asset Value Per Share</b>				
Pre Bonus	17.37	13.86	6.14	3.39
Post Bonus	12.87	10.27	4.55	2.51
<b>Current Ratio</b>	2.02	1.97	1.62	1.65
<b>EBITDA</b>	255.09	428.98	238.32	213.16
Nominal Value per Equity share(Rs.)	10	10	10	10

\* The Company does not have any diluted potential Equity Shares. Consequently the basic and diluted profit/earning per share of the company remain the same.

**Notes :**

- 1) The ratios have been calculated as below:
  - a) Basic Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Equity Shares outstanding during the year.
  - b) Diluted Earnings Per Share (Rs.) = Restated PAT attributable to Equity Shareholders/ Weighted Average Number of Diluted Potential Equity Shares outstanding during the year
  - c) Return on Net Worth (%) = Restated PAT attributable to Equity Shareholders/ Net Worth X 100
  - d) Restated Net Asset Value per equity share (Rs.) = Restated Net Worth as at the end of the year/ Total Number of Equity Shares outstanding during the year.
  
- 2) Weighted Average Number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. Further, number of shares are after considering impact of the bonus shares.
- 3) Earnings Per Share calculation are in accordance with Accounting Standard 20- Earnings Per Share, notified under the Companies (Accounting Standards) Rules 2006, as amended.
- 4) Net Worth = Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & Loss)

## **MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS & 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 25 and "Forward Looking Statements" beginning on page 16, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the period ended September 30, 2022 and years ended March 31, 2022, March 31, 2021 and 2020 including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of our company" on Page No. 153 of the Draft Red Herring Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements*

### **Overview**

Our Company was originally incorporated on April 26, 2004 as "Pentagon Rubber Private Limited" under the provisions of the Companies Act, 1956 with the Registrar of Companies, Punjab, H.P. & Chandigarh. Subsequently our Company was converted into Public Limited Company and name of company was changed from "Pentagon Rubber Private Limited" to "Pentagon Rubber Limited" vide fresh certificate of incorporation dated December 28, 2022 issued by the Registrar of Companies, Chandigarh.

Our Company is an ISO 9001:2015 and engaged in manufacturing of Rubber Conveyor Belt, Transmission Belts, Rubber Sheets and Elevator Belts. Our products are ever evolving & continually perfected using latest developments in raw materials. Our competence and expertise to Business-to-Business partners in a number of areas. This is carried from our material handling and ore transportation systems across to complete system integration, and we offer our products which meet the quality benchmark of various industries.

We have set up our manufacturing plant and managed under able guidance of a pool of seasoned professionals, the organisation has installed the best quality infrastructure and facilities. With a wide-spread network of stockiest and importers, we have expanded our business relations across boundaries having earned a good clientele in many countries. Our Company operates from its Registered Office situated Gulabgarh Road, Village Behra Dist. S.A.S. Nagar Derabassi Mohali Punjab-140507.

The manufacturing unit of Pentagon Rubber Limited is located in Dera Bassi, Punjab, which is 25 KMS from Chandigarh city. We have installed one of the longest conveyor belting presses in India, with a production capacity of 21mtr in a single stroke. This technology allows us to produce conveyor rubber belting up to 3150KN/m, making us one of the top manufacturers in India. The production capacity is over 300 sq km of conveyor rubber belt per year, and we have a modern laboratory of international standards that can produce conveyor belts as per DIN, BS, IS, ISO, SABS, AS, GOST, and CAN standards. We have a complete QAP & QC system that is followed in our manufacturing process, which includes rigorous and complete testing of in-process belts and finished belts.

Our manufacturing plant is managed by a team of experienced professionals. We have invested in top-of-the-line infrastructure and facilities to ensure the highest quality products. Our business has expanded domestically & globally through our approved vendor Status with various government & multinational corporations and importers, and we have earned a strong reputation and a loyal client base domestically & across many countries.

The experience and expertise of our team enables us to always offer the best product & solution to our clients. Over the years, we have bagged many prestigious Awards, which include Export Merit Award, Special Domestic Sales Awards and Top Domestic Sales Award from all India Rubber Industries association. This is an acknowledgment of our superior quality products & process controls.

Our Promoter Mr. Ashish Jain, Mr. Anil Jain, Mr. Saurabh Jain and Mr. Lalit Jain who have been instrumental in the growth of our business and actively advise us on finance, corporate strategy and planning. We have a strong management team with significant industry experience. Our Chairman and Managing Director, Mr. Ashish Jain, Whole –Time Directors, Mr. Anil Jain & Mr. Saurabh Jain have 23, 37 and 19 years of experience respectively in Rubber industry, thus vast experience of the Promoters has been

instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters and senior management team and their experience of over a decade in the industry in which our Company operates.

## STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

For details in respect of Statement of Significant Accounting Policies, please refer to Restated Standalone Financial Statements under chapter titled “Restated Financial Statements” beginning on page 153 of this Draft Red Herring Prospectus.

### Factors Affecting our Results of Operations

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 25 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

1. Destructions in our manufacturing process.
2. Our ability to successfully implement our strategy, our growth and expansion, technological changes.
3. Fail to attract, retain and manage the transition of our management team and other skilled employees;
4. Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
5. Ability to respond to technological changes;
6. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
7. Inability to successfully obtain registrations in a timely manner or at all;
8. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
9. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
10. Recession in the market;
11. Changes in laws and regulations relating to the industries in which we operate;
12. Effect of lack of infrastructure facilities on our business;
13. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
14. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
15. Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations.
16. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
17. Conflicts of interest with affiliated companies, the promoter group and other related parties;
18. The performance of the financial markets in India and globally;
19. Any adverse outcome in the legal proceedings in which we are involved;
20. Our ability to expand our geographical area of operation;
21. Concentration of ownership among our Promoters.

## RESULTS OF OUR OPERATION

(Rs. in Lakhs)

Particulars	For the period ended		For the year ended					
	September 30, 2022	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income	March 31, 2020	% of Total Income
Revenue from Operations	2,103.80	99.92	3502.65	99.75	2316.39	99.86	1933.03	99.68
Other Income	1.70	0.08	8.94	0.25	3.31	0.14	6.22	0.32
<b>Total Income (A)</b>	<b>2,105.51</b>	<b>100.00</b>	<b>3,511.59</b>	<b>100.00</b>	<b>2,319.69</b>	<b>100.00</b>	<b>1,939.25</b>	<b>100.00</b>
<b>EXPENDITURE</b>								
Cost of Material Consumed	1,652.80	78.50	2,666.28	75.93	1,707.24	73.60	1,501.48	77.43
Change in Inventories of	20.35	0.97	24.41	0.70	37.26	1.61	(19.41)	-1.00



Particulars	For the period ended		For the year ended					
	September 30, 2022	% of Total Income	March 31, 2022	% of Total Income	March 31, 2021	% of Total Income	March 31, 2020	% of Total Income
WIP, Finished Goods & Stock in Trade								
Employee benefits expense	99.23	4.71	176.75	5.03	166.16	7.16	124.08	6.40
Finance costs	34.32	1.63	73.88	2.10	75.45	3.25	67.01	3.46
Depreciation and amortization expense	13.67	0.65	39.10	1.11	54.97	2.37	46.91	2.42
Other expenses	78.04	3.71	215.17	6.13	170.72	7.36	119.95	6.19
<b>Total Expenses (B)</b>	<b>1,898.41</b>	<b>90.16</b>	<b>3,195.59</b>	<b>91.00</b>	<b>2,211.80</b>	<b>95.35</b>	<b>1,840.01</b>	<b>94.88</b>
<b>Profit before Exceptional Items(A-B)</b>	<b>207.10</b>	<b>9.84</b>	<b>316.01</b>	<b>9.00</b>	<b>107.89</b>	<b>4.65</b>	<b>99.24</b>	<b>5.12</b>
<b>Exceptional Items</b>	-	-	-	-	-	-	-	-
<b>Profit Before Tax</b>	<b>207.10</b>	<b>9.84</b>	<b>316.01</b>	<b>9.00</b>	<b>107.89</b>	<b>4.65</b>	<b>99.24</b>	<b>5.12</b>
<b>Tax expense :</b>								
(i) Current tax	57.54	2.73	58.46	1.66	10.99	0.47	8.02	0.41
(ii) MAT Credit Entitlement	-	0.00	-49.81	-1.42	-9.59	-0.41	-8.02	-0.41
(ii) Deferred tax	9.00	0.43	-1.30	-0.04	-3.81	-0.16	5.43	0.28
<b>Total Tax Expenses</b>	<b>66.54</b>	<b>3.16</b>	<b>7.35</b>	<b>0.21</b>	<b>(2.41)</b>	<b>-0.10</b>	<b>5.43</b>	<b>0.28</b>
<b>Profit for the year</b>	<b>140.56</b>	<b>6.68</b>	<b>308.66</b>	<b>8.79</b>	<b>110.30</b>	<b>4.75</b>	<b>93.81</b>	<b>4.84</b>

**Review of Restated Financials,**

**Key Components of Company's Profit and Loss Statement**

**Revenue from Sale of Services:** Revenue from operations mainly consists from Sales of Products.

**Other Income:** Other Income Consist of Interest Income etc.

**Expenses:** Company's expenses consist of, Cost of Material Consumed, Changes in Inventories of Finished Goods, WIP & Stock in Trade, Employee benefit expenses, Finance Cost, Depreciation and Amortization expenses & Other Expenses.

**Cost of Material Consumed Expense:** Cost of material consumes consists of opening stock, purchases, manufacturing expenses less closing stock.

**Changes in Inventories of Finished Goods, WIP & Stock in Trade Expense:** Changes in Inventories of Finished Goods, WIP & Stock in Trade consist of difference between opening stock & closing stock of Finished Goods, WIP & Stock in Trade.

**Employee Benefits Expense:** Employee benefit expenses includes Salaries and Wages, Directors Remuneration & Contribution to Statutory Funds, Gratuity Expenses etc.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a WDV Basis as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

**Other Expenses:** Other expenses includes Rent Expense, Freight Expense, Rebate & Discount etc.

## **Fiscal 2022 compared with Fiscal 2021**

### ***Revenue from Operation***

Revenue from operations had increased by 51.21% from ₹ 2316.39 lakhs in Fiscal 2021 to ₹ 3502.65 lakhs in Fiscal 2022. The change was primarily due to increase in sales.

### ***Other Income***

Other income had increased by 170.34% from ₹ 3.31 lakhs in Fiscal 2021 to ₹ 8.94 lakhs in Fiscal 2022 due to increase in other miscellaneous Income.

### ***Cost of Material Consumed***

Cost of Material Consumed had increased by 56.18% from ₹ 1707.24 lakhs in Fiscal 2021 to ₹ 2666.28 lakhs in Fiscal 2022. This increase was primarily due to higher sales of products.

### ***Employee Benefit Expenses***

Employee benefit expenses had increased by 6.37% from ₹ 166.16 lakhs in Fiscal 2021 to ₹ 176.75 lakhs in Fiscal 2022. This increase was primarily due to higher salary expenses.

### ***Finance Costs***

Finance Costs had decreased from ₹ 75.45 lakhs in Fiscal 2021 to ₹ 73.88 in Fiscal 2022. This was primarily due to lower interest paid during the financial year.

### ***Depreciation and Amortization Expenses***

Depreciation had decreased by 28.88% from ₹ 54.97 lakhs in Fiscal 2021 to ₹ 39.10 lakhs in Fiscal 2022.

### ***Other Expenses***

Other expenses had increased by 26.04% from ₹ 170.72 lakhs in Fiscal 2021 to ₹ 215.17 lakhs in Fiscal 2022. The increase was primarily due to increase in Freight Expenses & Rebate/Discount etc.

### ***Tax Expenses***

The Company's tax expenses had increased from ₹ (2.41) lakhs in the Fiscal 2021 to ₹ 7.35 lakhs in Fiscal 2022. This was primarily due to higher profit before tax during the financial year.

### ***Profit after Tax***

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 308.66 lakhs in Fiscal 2022 as compared to a net profit of ₹ 110.30 lakhs in Fiscal 2021.

## **Fiscal 2021 compared with Fiscal 2020**

### ***Revenue from Operation***

Revenue from operations had increased by 19.83% from ₹ 1933.03 lakhs in Fiscal 2020 to ₹ 2316.39 lakhs in Fiscal 2021 was due to increase in sales during the year.

### **Other Income**

Other income had decreased by 46.81% from ₹ 6.22 lakhs in Fiscal 2020 to ₹ 3.31 lakhs in Fiscal 2021 due to decrease in other miscellaneous Income.

### **Cost of Material Consumed**

Cost of Material Consumed had increased by 13.70% from ₹ 1501.48 lakhs in Fiscal 2020 to ₹ 1707.24 lakhs in Fiscal 2021. This increase was primarily due to higher sales of products.

### **Employee Benefit Expenses**

Employee benefit expenses had increased by 33.91% from ₹ 124.08 lakhs in Fiscal 2020 to ₹ 166.16 lakhs in Fiscal 2021. This increase was primarily due to higher salary expenses.

### **Finance Costs**

Finance Costs had increased from ₹ 67.01 lakhs in Fiscal 2020 to ₹ 75.45 in Fiscal 2021. This was primarily due to higher interest paid during the financial year.

### **Depreciation and Amortization Expenses**

Depreciation had increased by 17.19% from ₹ 46.91 lakhs in Fiscal 2020 to ₹ 54.97 lakhs in Fiscal 2021.

### **Other Expenses**

Other expenses had increased by 42.32% from ₹ 119.95 lakhs in Fiscal 2020 to ₹ 170.72 lakhs in Fiscal 2021. The increase was primarily due to increase in Freight Expenses, Rebate & Discount etc.

### **Tax Expenses**

The Company's tax expenses had decreased from ₹ 5.43 lakhs in the Fiscal 2020 to ₹ (2.41) lakhs in Fiscal 2021. This was primarily due to MAT Credit Entitlement during the financial year.

### **Profit after Tax**

After accounting for taxes at applicable rates, our Company reported a net profit of ₹ 110.30 lakhs in Fiscal 2021 as compared to a net profit of ₹ 93.81 lakhs in Fiscal 2020.

### **Cash Flows**

(₹ in lakhs)

Particulars	For the period ended September 30, 2022	For the year ended March 31,		
		2022	2021	2020
Net Cash from Operating Activities	256.48	18.75	(295.84)	157.58
Net Cash from Investing Activities	(2.78)	(26.76)	(37.13)	(72.16)
Net Cash used in Financing Activities	(244.14)	36.19	330.13	(83.50)

### **Cash Flows from Operating Activities**

Net cash from operating activities for fiscal 2022 was at ₹ 18.75 lakhs as compared to the Profit Before Tax at ₹ 316.01 lakhs while for fiscal 2021 Net cash from operating activities was at ₹ (295.84) lakhs as compared to the Profit Before Tax at ₹ 107.89 Lakhs. This was primarily due to adjustments against adjustments against, changes in Working Capital.

Net cash from operating activities for fiscal 2021 was at ₹ (295.84) lakhs as compared to the Profit Before Tax at ₹ 107.89 lakhs while for fiscal 2020, net cash from operating activities was at ₹ 157.58 lakhs as compared to the Profit Before Tax of ₹ 99.24 lakhs. This



was primarily due to adjustments against, changes in Working Capital.

Net cash from operating activities for fiscal 2020 was at ₹ 157.58 lakhs as compared to the Profit Before Tax at ₹ 99.24 lakhs.

#### ***Cash Flows from Investment Activities***

In fiscal 2022, the net cash invested in Investing Activities was ₹ (26.76) lakhs. This was mainly on account of Purchases of Fixed Assets & increase in Non Current Assets.

In fiscal 2021, the net cash invested in Investing Activities was ₹ (37.13) lakhs. This was mainly on account of Purchases of Fixed Assets & increase in Non Current Assets.

In fiscal 2020, the net cash invested in Investing Activities was ₹ (72.16) lakhs. This was mainly on account of Purchases of Fixed Asset.

#### ***Cash Flows from Financing Activities***

In fiscal 2022, the net cash from financing activities was ₹ 36.19 lakhs. This was on account of proceeds from Borrowings.

In fiscal 2021, the net cash from financing activities was ₹ 330.13 lakhs. This was on account of proceeds from Borrowings.

In fiscal 2020, the net cash from financing activities was ₹ (83.50) lakhs. This was on account of Payment of Interest & Borrowings.

#### **Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

##### ***1. Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

##### ***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

Except for any change in economic policy affecting the our industry in India, there are no other significant economic changes that may materially affect or likely to affect income from continuing operations.

##### ***3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section “Risk Factors” beginning on page 25 in the Draft Red Herring Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

##### ***4. Future changes in relationship between costs and revenues***

Our Company’s future costs and revenues will be determined by growth of industry in which we operate.

##### ***5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices***

Increases in revenues are by and large linked to increases in volume of our business.

##### ***6. Status of any publicly announced New Products or Business Segment***

Our Company has not announced any new Product.

### 7. *Seasonality of business*

Our Company's business is not seasonal.

### 8. *Dependence on few customers/ clients*

The percentage of contribution of our Company's Top Customers/Clients for the year ended September 30, 2022 is as follows:

Particulars	Customers
Top Ten (%)	83.00%

### 9. *Competitive conditions*

Competitive conditions are as described under the Chapters "Industry Overview" and "Business Overview" beginning on pages 98 and 110, respectively of the Draft Red Herring Prospectus.

### 10. *Details of material developments after the date of last balance sheet i.e. September 30, 2022*

After the date of last Balance sheet i.e. September 30, 2022, the following material events have occurred after the last audited period:

- a. Bonus Issue of 14,00,000 Equity Shares in ratio of 7:20 dated November 24, 2022.
- b. Our Company converted from Private Limited to Public Limited Company vide certificate of Incorporation dated December 28, 2022 issued by the Registrar of Companies, Chandigarh.
- c. Our Company has passed a Board Resolution for Initial Public Offer in Board Meeting held on January 07, 2023 and Shareholder's Resolution in Extra-Ordinary Meeting held on January 11, 2023.
- d. We have changed the designation of Mr. Ashish Jain as Chairman cum Managing Director, Mr. Anil Jain and Mr. Saurabh Jain as Whole-time Director with effect from January 11, 2023.
- e. We have appointed Mr. Manish Verma and Mrs. Preet Kamal Kaur Bhatia as Independent Director with effect from January 11, 2023.
- f. We have appointed Mrs. Shubhi Kishore as Company Secretary and Compliance Officer and Mr. Varun Jain as Chief Financial Officer of the Company with effect from January 16, 2023.
- g. Our Company has constituted an Audit Committee ("Audit Committee"), Nomination and Remuneration Committee and Stakeholders Relationship Committee vide Board Resolution dated January 16, 2023, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of NSE.

**CAPITALISATION STATEMENT**

Sr. No	Particulars	Pre issue	Post issue
	<b>Debts</b>		
A	Long Term Debt*	829.20	829.20
B	Short Term Debt*	718.48	718.48
C	<b>Total Debt</b>	<b>1,547.68</b>	<b>1,547.68</b>
	<b>Equity Shareholders Funds</b>		
	Equity Share Capital#	400.00	**
	Reserves and Surplus	295.00	**
D	<b>Total Equity</b>	<b>695.00</b>	**
	Long Term Debt/ Equity Ratio (A/D)	1.19	**
	Total Debt/ Equity Ratio (C/D)	2.23	**
Notes :			
* The amounts are consider as outstanding as on 30.09.2022			
** Post Issue figures are not available since Issue Price is not yet finalized			
The Company has made bonus Issue of Shares in ratio of 7:20 shares on November 24, 2022			

## **SECTION X – LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPEMENT**

*Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this DRHP; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this DRHP and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this DRHP; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this DRHP; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.*

*For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this DRHP:*

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;*
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of ₹1,00,000/- (Rupees one lakhs only) of the Company for the most recent audited fiscal period whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at [www.pentagonrubber.com](http://www.pentagonrubber.com)*
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

*Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.*

### **OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES**

#### **PART 1: LITIGATION RELATING TO OUR COMPANY**

##### **A. FILED AGAINST OUR COMPANY**

###### **1) Litigation involving Criminal Laws**

NIL

###### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

### 3) Disciplinary Actions by Authorities

NIL

### 4) Litigation involving Tax Liability

#### Indirect Tax:

M/s. Pentagon Rubber Limited (hereinafter referred to as the “Assessee”) has been issued with assessment notices u/s. 29(2) of the Punjab VAT Act, 2005 and under Section 9(2) of CST Act, 1956 read with Section 29(2) of the PVAT Act, 2005 both dated September 30, 2021, intimating the assessee of lodgment of assessment of the assessee for 2016-17 and have been required to clarify certain discrepancies noticed in the returns for the 2016-17 along with supporting documents thereto.

#### Direct Tax:

##### A.Y. 2018-19

As per details available on the website of the Income Tax Department M/s. Pentagon Rubber Limited (hereinafter referred to as the “Assessee”) have been issued with a Demand notice u/s. 143(1)(a) of the Income Tax Act, 1961 bearing reference no. 2019201837052189215C dated October 16, 2019 for an amount of Rs. 54,300/- for A.Y. 2018-19 and the same has been disputed by the assessee herein and is pending.

##### A.Y. 2011-12

As per details available on the website of the Income Tax Department M/s. Pentagon Rubber Limited (hereinafter referred to as the “Assessee”) have been issued with a Demand notice u/s. 271(1)(c) of the Income Tax Act, 1961 bearing reference no. 2021201140408394606C dated February 6, 2022 for an amount of Rs. 75,211/- for A.Y. 2011-12 and the same is pending for payment.

#### Pending Demands/ Defaults of TDS:

As per details available on the TRACES an aggregate outstanding amount of Rs. 3,59,912/- from prior years till F.Y. 2020-21 is pending against M/s. Pentagon Rubber Limited (hereinafter referred to as the “Assessee”) as default on account of late filing of returns, late deposit of taxes and mismatch of PAN details. Although no action in respect of recovery of same has been taken by the department till date, except for issue of communication notices, the department may at any time issue recovery notices in which event the same shall become payable.

### 5) Other Pending Litigation based on Materiality Policy of our Company

#### 1. M/s. Jain Enterprises through Partner Shri Anil Jain (Complainant) V/s. M/s. Pentagon Rubber Pvt. Ltd. and Shri Lalit Jain (Accused) Case No. 11506/2016

**Pending with the Court of Chief Metropolitan Magistrate, District North West, Rohini Courts, filed u/s. 138/142 of the negotiable Instrument Act, 1881.**

As alleged, the Complainant herein was doing business with the accused and accordingly the parties had a running account between them as lump sum payments were made by the accused herein. As alleged, the accused herein, in discharge of their liabilities had issued three cheques bearin no. 861490, 861488 and 861489 all dated July 29, 2015 for an amount of Rs. 3,00,000/- (Rupees Three Lakhs only) each drawn on ICICI Bank Pitam Pura, Delhi branch. Upon presentation of the cheques with the bank of the Complainant at HDFC Bank, Ashok Vihar, Delhi branch, the cheques returned dishonored for the reason of “Funds Insufficient” vide returning memo dated July 30, 2015. Accordingly a legal notice u/s. 138 of the Negotiable Instrument Act, 1881 (the NI Act) dated August 12, 2015 was issued to the accused herein and after due follow-up the present petition was filed u/s. 138/ 142 of the NI Act vide application dated September 03, 2015 and the same is pending.

The accused in its response have submitted that the cheques in question were blank cheques and were drawn as a precondition only for security purposes and the same are returnable and that the complainant has misused the cheques after making forgery and fabrication and the matter is pending for adjudication.

## **B. CASES FILED BY OUR COMPANY**

### **1) Litigation involving Criminal Laws**

NIL

### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

### **3) Disciplinary Actions by Authorities**

NIL

### **4) Litigation involving Tax Liability**

NIL

### **5) Other Pending Litigation based on Materiality Policy of our Company**

- 1. Pentagon Rubber Pvt. Ltd. (Complainant) V/s. Pramod Kumar Sharma (Accused) (Case No. 1444/16) Pending with the Court of Chief Metropolitan Magistrate, District North West, Rohini Courts, filed u/s. 138/142 of the negotiable Instrument Act, 1881.**

As alleged, the Complainant herein was doing business with the accused and accordingly the parties had a running account between them as lump sum payments were made by the accused herein. As alleged, the amount payable by the accused to the Complainant on February 12, 2016 was Rs. 5,04,319/- (Rupees Five Lakhs Four Thousand Three hundred Nineteen). Accordingly a cheque bearing no. 001704 dated February 11, 2016 for an amount of Rs. 1,00,000/- (Rupees one Lakh Only) drawn on Bank of India, noida Branch, UP was issued in favour of the Complainant Company. Upon presentation of the cheque with the bank of the Complainant hereint, it returned dishonored for the reason of "Funds Insufficient" vide returning memo dated February 15, 2016. Accordingly a legal notice u/s. 138 of the Negotiable Instrument Act, 1881 dated February 18, 2016 was issued to the accused herein and after due follow-up the present petition was filed and the same is pending.

- 2. Pentagon Rubber Pvt. Ltd. (Plaintiff) V/s. Pramod Kumar Sharma [Proprietor M/s. Vishal Engineering Work Company] (Defendant) (Case No. 2231/16)**

**Pending with the Court District Judge, District Central, Tis Hazari Courts.**

As alleged, the Complainant herein was doing business with the accused and accordingly the parties had a running account between them as lump sum payments were made by the accused herein. As alleged, the amount payable by the accused to the Complainant on February 12, 2016 was Rs. 5,04,319/- (Rupees Five Lakhs Four Thousand Three hundred Nineteen). Accordingly a cheque bearing no. 001704 dated February 11, 2016 for an amount of Rs. 1,00,000/- (Rupees one Lakh Only) drawn on Bank of India, noida Branch, UP was issued in favour of the Complainant Company. Upon presentation of the cheque with the bank of the Complainant hereint, it returned dishonored for the reason of "Funds Insufficient" vide returning memo dated February 15, 2016. Accordingly a legal notice u/s. 138 of the Negotiable Instrument Act, 1881 (the NI Act) dated February 18, 2016 was issued to the accused herein and after due follow-up a complaint case under Section 138 of the NI Act was filed by the Plaintiff herein and the same is pending.

Further as alleged, the defendant herein failed to discharge its liabilities towards the plaintiff and accordingly the present suit has been filed for the recovery of Rs. 5,04,319/- (Rupees Five Lakhs Four Thousand Three hundred Nineteen Only) along with pendent elite and future Interest accrued thereupon @24% p.a. till the date of realization of the said amount.

**3. Pentagon Rubber Pvt. Ltd. (Complainant) V/s. Milestone Rubber Industries and Mrs. Nisha Badal Madhu [Proprietor Milestone Rubber Industries] (Accused) (Case No. HPSO110004792020)**

**Pending with the Court of Additional Chief Judicial Magistrate, Nalagarh**

As alleged, the Complainant herein was doing business with the accused and accordingly the parties had a running account between them as lump sum payments were made by the accused herein. As alleged, there was an outstanding of Rs. 15,99,052/- (Rupees Fifteen Lakh Ninety Nine thousand fifty two only) to be payable by the accused to the complainant. Accordingly two cheques bearing no. 219810 dated August 25, 2019 for an amount of Rs. 6,42,333/- and bearing no. 280222 dated September 29, 2019 for an amount of Rs. 11,38,298/- (totaling Rs. 17,80,631) drawn on Indian Bank, Vastral, Ahmedabad, Gujarat Branch. Upon presentation of the cheques with the bank of the Complainant at HDFC Bank, Baddi, it returned dishonored for the reason of "Funds Insufficient" vide returning memo dated October 18, 2019 and October 22, 2019. Accordingly a legal notice u/s. 138 of the Negotiable Instrument Act, 1881 (the NI Act) dated November 26, 2019 was issued to the accused herein and after due follow-up the present petition was filed u/s. 138/ 142 of the NI Act on January 09, 2020 and the same is pending.

**PART 2: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTER OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL

**4) Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

**5) Other Pending Litigation based on Materiality Policy of our Company**

NIL

**B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTER**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Disciplinary Actions by Authorities**

NIL



#### 4) **Litigation involving Tax Liability**

**Indirect Tax:** NIL

**Direct Tax:** NIL

#### 5) **Other Pending Litigation based on Materiality Policy of our Company**

NIL

#### **PART 3: LITIGATION RELATING TO OUR SUBSIDIARIES:**

Not Applicable as the Company does not have any subsidiary.

#### **PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES:**

Not Applicable as the Company does not have any Group Companies.

#### **DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS**

As on the date of this DRHP, There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

#### **PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS**

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this DRHP in the case of our Company, Promoter, Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the DRHP

#### **OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY**

As on the date of the DRHP, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

#### **PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES**

There are no proceedings initiated against our Company for any economic offences.

#### **NON-PAYMENT OF STATUTORY DUES**

As on the date of the DRHP there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

#### **MATERIAL FRAUDS AGAINST OUR COMPANY**

There have been no material frauds committed against our Company in the five years preceding the year of this DRHP.

### **DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, nor Group Companies and nor Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

### **DISCLOSURES PERTAINING TO FRAUDULENT BORROWER**

Our Company or any of our Promoters or Group Companies or Directors are not declared as ‘Fraudulent Borrower’ by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

### **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 191 there have been no material developments that have occurred after the Last Balance Sheet Date.

### **OUTSTANDING DUES TO CREDITORS**

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on September 30, 2022: -

<b>Name</b>	<b>Number of Cases</b>	<b>Balance as on September 30, 2022 (in Lacs)</b>
Total Outstanding dues to Micro and Small & Medium Enterprises	Nil	Nil
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	27	318.05

The details pertaining to amounts due towards the material creditors are available on the website of our Company at [www.pentagonrubber.com](http://www.pentagonrubber.com)

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company’s website, [www.pentagonrubber.com](http://www.pentagonrubber.com), would be doing so at their own risk.

## **GOVERNMENT AND OTHER APPROVALS**

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### **Approvals In Relation to Our Company's incorporation**

1. Certificate of Incorporation dated April 26, 2004 as PENTAGON RUBBER PRIVATE LIMITED vide registration no. U25192HP2004PTC027063 issued by the Registrar of Companies, Chandigarh, Punjab.
2. Fresh Certificate of Incorporation dated December 28, 2022 Consequent upon Conversion from Private Company to Public Company thereby altering the name of the Company from PENTAGON RUBBER PRIVATE LIMITED to PENTAGON RUBBER LIMITED, bearing registration no. U25192PB2004PLC054282 issued by the Registrar of Companies, Chandigarh, Punjab.

### **Approvals in relation to the Issue**

#### ***Corporate Approvals***

1. Our Board of Directors has, pursuant to resolutions passed at its meeting held on January 07, 2023 authorized the Issue, subject to the approval by the shareholders of our Company under section 62(1) (c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated January 11, 2023 under Section 62(1) (c) of the Companies Act, 2013, authorized the Issue.
3. Our Board of Directors has, pursuant to a resolution dated March 17, 2023 and [●] authorized our Company to take necessary action for filing the Draft Prospectus and Prospectus respectively with NSE EMERGE.

#### ***Approvals from Stock Exchange***

1. Our Company has received in- principle listing approval from the NSE EMERGE dated [●] for listing of Equity Shares issued pursuant to the issue.

#### ***Other Approvals***

1. The Company has entered into a tripartite agreement dated February 07, 2023 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated February 10, 2023 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Link Intime India Private Limited, for the dematerialization of its shares.

**Approvals/Licenses/Permissions in relation to our Business**
***Tax Related Approvals***

S.No	Description	Address of Place of Business / Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	---	AADCP3605J	Income Tax Department	April 26, 2004	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	---	PTLP12917C	Income Tax Department		Valid till Cancelled
3.	GST Registration Certificate (Punjab)	Dera Bassi, Gulabgarh Road, Behra, SAS Nagar, Punjab, 140507	03AADCP3605J1 ZQ	Goods and Services Tax department	July 01, 2017	Valid till Cancelled


***Registrations related to Labour Laws:***

S.No.	Description	Address of Premises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	Udyam Registration Number	Flat no. 51, Second Floor, Rani Jhansi Road, Delhi Central, Delhi-110055	UDYAM-DL-01-0002880	MSME (Ministry of Micro Small & Medium Enterprises)	November 18, 2020	Valid till Cancelled
2.	UAN (Udyog Aadhaar Memorandum)	Gulabgarh Road, Village Behra, District SAS Nagar, Punjab-140507	PB20B0003872	MSME (Ministry of Micro Small & Medium Enterprises)	November 01, 2009	Valid till Cancelled
3.	Certificate of Registration Issued Under The State Shops And Establishments Legislations	51 Rani Jhansi Road, New Delhi, Delhi-110055	2022299343	Department of Labour Government of National Capital Territory of Delhi	September 23, 2022	Valid till Cancelled
4.	ESI, (Employees' State Insurance Corporation Act, 1948 and Registration of Employees of the Factories and Establishments under Section 1(3)/1(5) of the ESI Act, as amended)	M/s. Pentagon Rubber Private Limited Gulabgarh Road, Dera Bassi, Punjab-140507	1200065143000 0204	Employees' State Insurance Corporation, Chandigarh, Punjab	July 27, 2017	Valid till cancelled
5.	PF registration	M/s.Pentagon Rubber Private Limited Gulabgarh Road, Dera Bassi, Punjab-140507	PBCHD1738334 000	Employees' provident fund organisation, chandigarh	June 13, 2018	Valid till cancelled
6.	Registration Under Factories Act, 1948	M/S Pentagon Rubber Pvt. Limited., Village Behra, Gulabgrah Raod, Derabassi, Sahibzada Ahit Singh Nagar	SAS0FL6776	Directorate of Factories, Punjab & Department of Labour Govt. of Punjab	August 27, 2021	December 31, 2030

**Business related Approvals:**

S.No.	Description	Address of Pemises	Registration Number	Issuing Authority	Date of issue	Date of Expiry
1.	IEC	Gulabgarh Road, Vill. Behra, Derabassi, Dist. S.A.S. Nagar - 140507, Punjab, India	2204002992	Ministry of Commerce and Industry Directorate General of Foreign Trade, Punjab	October 13, 2004	Valid till Cancelled
2.	ISO 9001:2015	Gulabgarh Road, Vill. Behra, Derabassi, Dist. S.A.S. Nagar - 140507, Punjab, India	Certificate No.11625	AQSR (American Quality Standard Registration )	December 05, 2018	December 04, 2024
3.	NSIC (The National Small Industries Corporation Limited)	51, Rani Jhansi Road, New Delhi, Delhi-110055	NSIC/GP/CHA/2019/69580	The National Small Industries Corporation Limited, Chandigarh	November 29, 2021	November 28, 2023
4.	Purchase or Otherwise Acquire Rubber	51, Rani Jhansi Road, New Delhi-110055	M231243	Dept. of Licensing & Excise Duty, Kottayam-686002, Kerala	April 01, 2019	March 31, 2023
5.	Air (Prevention & Control of Pollution) Act, 1981	Village Behra, Chandigarh-behra Road, Tehsil Dera Bassi, Distt. Sas Nagar Derabassi,Sasnagar-140507	Consent to Operate Certificate No. CTOA/Renewal/SAS/12247356 Industry Registration ID: R16SAS3651191 Original Certificate No. R16SASCTOA3985206	Punjab Pollution Control Board	March 02, 2020	June 30, 2025
6.	Water (Prevention & Control of Pollution) Act, 1981	Village Behra, Chandigarh-behra Road, Tehsil Dera Bassi, Distt. Sas Nagar Derabassi,Sasnagar-140507	Consent to Operate Certificate No. CTOA/Renewal/SAS/2020/12247488 Industry Registration ID: R16SAS3651191 Original Certificate No. R16SASCTOW3985216	Punjab Pollution Control Board	March 02, 2020	June 30, 2025
7.	LEI	Gulabgarh Road, Vill. Behra, Derabassi, Dist. S.A.S. Nagar - 140507, Punjab, India	549300K1GIX5BRN8B387	EQS Group AG	September 09, 2021	December 12, 2023

**Intellectual Property**

S.No.	Description	Address of premises	Class	Application / Certificate Number	Issuing Authority	Date of application	Status
1.	PENTAGON	Pentagon Rubber Pvt. Ltd. Gulabgarh Road, Vill. Behra, Derabassi, Dist. S.A.S. Nagar - 140507, Punjab	7	Application no.: 5434300 Certificate No. 3131038	Trademarks Registry, Mumbai	May 03, 2022	Approved
2.	 PENTAGON	Pentagon Rubber Pvt. Ltd. Gulabgarh Road, Vill. Behra, Derabassi, Dist. S.A.S. Nagar - 140507, Punjab	7	Application no. 4844384	Trademarks Registry, Delhi	February 01, 2021	Objected

**Domain Name**

S.No	Domain Name and ID	Sponsoring Registrar and ID	Registrant Name, ID and Address	Creation Date	Registry Expiry Date
1.	<a href="https://pentagonrubber.com/">https://pentagonrubber.com/</a>	138270702_DOMAIN_COM-VRSN	OnlineNIC, Inc., IANA ID: 82	December 27,2004	December 27,2027

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities except that for change of name of the Company pursuant to change of its constitution from Private Limited to Public Limited.

## **SECTION XI: INFORMATION WITH RESPECT TO GROUP COMPANIES**

As per the SEBI ICDR Regulations, 2018 for the purpose of identification of Group Companies, our Company has considered companies covered under the Accounting Standard 18 as per Restated Financial Statements (other than our Subsidiary Company if any) and other companies considered material by our Board with which our Company has had related party transactions during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board.

Pursuant to a resolution of our Board dated January 16, 2023 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if Such company forms part of the Promoter Group of our Company in terms of Regulation of the SEBI ICDR Regulations and Companies who entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10% of total revenue of the company as per Restated Financial Statements.

Based on the above, our Company does not have "Group Companies" in terms of the definition provided for above, as on date of this Draft Red Herring Prospectus.



## **SECTION XII - OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue Fresh Issue**

This Issue in terms of this Draft Red Herring Prospectus has been authorized by the Board of Directors pursuant to a resolution dated January 07, 2023 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on January 11, 2023 under section 62 (1) (c) of the Companies Act, 2013.

Our Company has obtained in-principle approval from the NSE Emerge for using its name in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus pursuant to letter dated [●]. NSE is the Designated Stock Exchange.

### **Prohibition by the SEBI or other Governmental Authorities**

Our Company, our Group Company, our Promoter, our Promoter Group, our Directors, Person in control of Promoter or Company, have not been prohibited from accessing the capital market for any reason or restrained from buying, selling or dealing in securities, under any order or directions by the SEBI or any other regulatory or government authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

None of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

### **Association with Securities Market**

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our directors are associated as promoters or directors.

### **Prohibition by RBI**

Neither our Company, our subsidiaries, our Promoter, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter “Outstanding Litigations And Material Development” beginning on page 199 of the Draft Red Herring Prospectus.

### **Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of the Draft Red Herring Prospectus.

### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 230 of SEBI ICDR Regulations for this Issue\*.

\*The Company will comply with requirement of Regulation 230 before filing of Prospectus with ROC.

Our Company is eligible for the Issue in accordance with the Regulation 229 (1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, whereby, an issuer whose post issue paid-up capital is less than ten crore rupees. Our Company shall issue shares to the public and has proposed to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of NSE i.e. NSE EMERGE).

As per Regulation 229 (3) of the SEBI ICDR Regulations, our Company satisfies track record and/or other eligibility conditions of NSE in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations.

We confirm that:

1. In accordance with regulation 260 of the SEBI (ICDR) Regulations, this Issue was 100% underwritten and shall not restrict to the minimum subscription level. The BRLM shall underwrite at least 15% of the total Issue size. For further details pertaining to underwriting please refer to chapter titled “General Information” beginning on page 49 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under section 40 of the Companies Act, 2013.
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 Prospectus.
4. In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the BRLM and Market Maker to ensure compulsory market making for the minimum period of three years from the date of listing of equity shares offered in this issue. For further details of the market making arrangement see chapter titled “General Information” beginning on page 49 of this Draft Red Herring Prospectus.
5. The Post Issue paid up capital of the company will be less than ₹ 25 Crore.
6. The Company has a track record of at least 3 years as on the date of filling Draft Red Herring Prospectus.
7. The Net-worth of our Company is Positive as per latest audited financial statement.
8. Our Company’s net worth and Operating Profit (earnings before interest, depreciation and tax from operations), based on the Standalone Restated Financial Statements included in this Draft Red Herring Prospectus for the period ended September 30, 2022 and at Fiscals ended March 31, 2022, March 31, 2021 and 2020 are set forth below:

**(Rs. in Lakhs)**

Particulars	September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Net Worth	695.00	554.43	245.78	135.48
Operating Profit	253.39	420.04	235.01	206.94

- (i) Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.
- (ii) Operating Profit has been defined as the Earnings from operations before interest, depreciation and tax from operations.
9. The Company will mandatorily facilitate trading in demat securities and entered into agreement with both the depositories.
10. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
11. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
12. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
13. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters, Group Companies, companies promoted by the promoters of the company.

14. Our Company has a website i.e., [www.pentagonrubber.com](http://www.pentagonrubber.com)

**Other Disclosures:**

- 1) We have Disclosed all material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) of the applicant company in the Draft Red Herring Prospectus.
- 2) There are no Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) during the past three years. An auditor's certificate will be provided by the issuer to the exchange, in this regard.
- 3) We have Disclosed the details of the applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation, For details, please refer the chapter “Outstanding Litigations & Material Developments” on page no. 199 of this Draft Red Herring Prospectus.
- 4) We have disclosed all details of the track record of the directors, the status of criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For Details, refer the chapter “Outstanding Litigation & Material Developments” on page no. 199 of this Draft Red Herring Prospectus.

As per Regulation 230 (1) of the SEBI ICDR Regulations, our Company has ensured that:

- The Draft Red Herring Prospectus has been filed with NSE and our Company has made an application to NSE for listing of its Equity Shares on the SME platform. NSE is the Designated Stock Exchange.
- Our Company has entered into an agreement dated February 10, 2023 with NSDL and agreement dated February 07, 2023 with CDSL for dematerialization of its Equity Shares already issued and proposed to be issued.
- The entire pre-Issue capital of our Company has shares fully paid-up Equity Shares and the Equity Shares proposed to be issued pursuant to this IPO will be fully paid-up.
- The entire Equity Shares held by the Promoters will be in dematerialized form.
- Our Company has made firm arrangements of finance through verifiable means towards seventy-five per cent of the stated means of finance for funding from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals – Not required as the object of Issue is working capital requirement, general corporate purpose and issue expenses, for details, please refer the chapter “Objects of the Issue” on page no. 83 of this Draft Red Herring Prospectus.

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 Promoter, members of our Promoter Group or our Directors are debarred from accessing the capital markets by the SEBI.
- (b) None of our Promoter or Directors are promoters 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 is a fugitive economic offender.

We further confirm that we shall be complying with all other requirements as laid down for such offer under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

## **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE LEAD MERCHANT BANKER, BEELINE CAPITAL ADVISORS PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, BEELINE CAPITAL ADVISORS PRIVATE LIMITED HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED [●]**

**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 Prospectus with the Registrar of Companies, Chandigarh in terms of sections 26, 32 and 33 of the Companies Act,

### **Disclaimer from our Company and the Book Running Lead Manager**

Our Company 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 would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the MOU entered between the BRLM (Beeline Capital Advisors Private Limited) and our Company on February 24, 2023 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Book Running Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our subsidiary, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs,

companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Chandigarh.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

#### **Disclaimer Clause under Rule 144a of the U.S. Securities Act**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids 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 and legislations in each jurisdiction, including India.

#### **Disclaimer Clause of the SME Platform of NSE**

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] 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 NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its 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.”

## Filing

This Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra- Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra.

The copy of the Draft Red Herring Prospectus will not have filed with SEBI and SEBI will not issue any observation on the Draft Red Herring Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus and Prospectus, along with the documents required to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, 1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, PIN-160019, Chandigarh, India

## Listing

The Equity Shares of our Company are proposed to be listed on NSE Emerge. Our Company has obtained in-principle approval from NSE by way of its letter dated [●] for listing of equity shares on NSE Emerge (NSE Emerge).

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

## Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

## Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Peer Review Auditor, Our Banker(s) to the Company\*; (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue\* and Market Maker to the Issue\* to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be



withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

\* The consent will be taken while registering the Prospectus with Roc.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s S Jain & Co., Chartered Accountants, Peer Review Auditors of the Company have agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

### **Experts Opinion**

Except for the reports in the section “Financial information of our Company” and “Statement of Possible Tax Benefits” on page 153 and 94 of this Draft Red Herring Prospectus from the Peer Review Auditors and Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or abroad the five (5) years preceding the date of this Draft Red Herring Prospectus except as disclosed in this Draft Red Herring Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled “Capital Structure” beginning on page 60 of this Draft Red Herring Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company’s Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made / Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-à-vis objects – Public/rights issue of our Company and/or listed Group Companies/ Subsidiaries and Associates of our Company

Except as stated in the chapter titled “Capital Structure” beginning on page 60 of this Draft Red Herring Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

### **Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

Except as disclosed in this Draft Red Herring Prospectus, all of our Group/ Associate are unlisted and have not made a public issue of shares.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares and other instruments**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Red Herring Prospectus.

### **Outstanding Convertible Instruments**



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

### **Option to Subscribe**

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

### **Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

### **Mechanism for Redressal of Investor Grievances**

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there are no investor complaints received during the three years preceding the filing of 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.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible. Our Company has constituted Stakeholders Relationship Committee in the meeting of our Board of Directors held on January 16, 2023. For further details on the Stakeholders Relationship Committee, please refer to section titled “Our Management” beginning on page 134 of this Draft Red Herring Prospectus.

Our Company has appointed Ms. Shubhi Kishore, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

#### **Ms. Shubhi Kishore**

Gulabgarh Road, Village Behra Dist. S.A.S. Nagar,  
Derabassi Mohali, Punjab-140507, India.

**Tel. No.:** +91- 9816610646

**E-mail:** [compliance@pentagonrubber.com](mailto:compliance@pentagonrubber.com)

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

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system “SCORES”. This would enable investors to lodge and follow up their complaints and track the status of redressal of such

complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in)

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

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

Except as disclosed in Chapter titled “General Information” beginning on Page 49 of this Draft Red Herring Prospectus; there are no changes in the Auditors of the company during the last three years.

### **Capitalization of Reserves or Profits**

Except as disclosed under section titled “Capital Structure” beginning on page 60 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Red Herring Prospectus.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled “Statement of Possible Tax Benefits” beginning on page 94 of this Draft Red Herring Prospectus.

### **Purchase of Property**

Other than as disclosed in Section “Business Overview” on page 110 of the Draft Red Herring Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Red Herring Prospectus, other than property, in respect of which:

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

### **Servicing Behavior**

Except as stated in this Draft Red Herring Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled “Our Management” beginning on page 134 and Restated Statement of Related Party Transactions” under chapter titled “Financial Information of our Company” beginning on page 153 of the Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

#### Exemption from complying with any provision of security laws, if any granted by SEBI

As on date of Draft Red Herring Prospectus, our company has not availed any exemption from complying with any provision of security laws granted by SEBI

#### Statement on Price Information of Past Issues handled by Beeline Capital Advisors Private Limited:

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Jay Jalaram Technologies Limited	10.80	36.00	September 08, 2022	50.00	64.44% (-2.72%)	468.33% (4.74%)	NA
2.	Viviana Power Tech Limited	8.80	55.00	September 16, 2022	90.00	67.36% (-1.97%)	72.73% (6.44%)	NA
3.	Kandarp Digi Smart BPO Limited	8.10	30.00	September 28, 2022	30.00	-49.33% (5.21%)	-49.83% (6.86%)	NA
4.	Trident Lifeline Limited	35.34	101.00	October 10, 2022	105.00	28.71% (5.51%)	17.82% (3.29%)	NA
5.	Vital Chemtech Limited	64.64	101.00	November 14, 2022	164.00	39.06% (1.52%)	6.53% (-2.58%)	NA
6.	RBM Infracon Limited	8.37	36.00	January 04, 2023	52.50	132.36% (-3.19%)	NA	NA
7.	Aristo Bio-Tech and Lifescience Limited	13.05	72.00	January 30, 2023	80.00	-18.75% (-0.21%)	NA	NA
8.	Transvoy Logistics India Limited	5.11	71.00	February 02, 2023	71.00	3.17% (1.67%)	NA	NA
9.	Viaz Tyres Limited	20.00	62.00	March 01, 2023	68.00	NA	NA	NA
10.	Vertexplus Technologies Limited	14.21	96.00	March 15, 2023	101.00			

Source: Price Information [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

#### Summary statement of Disclosure:



Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%	Over 50%	Betw een 25-50%	Less than 25%
2022-23	9	188.42	--	1	1	3	2	1	--	--	--	--	--	--
2021-22	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2020-21	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2019-20	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note:

1. Opening price information as disclosed on the website of BSE/NSE.
2. Change in closing price over the issue/offer price as disclosed on BSE/NSE.
3. Change in closing price over the closing price as on the listing date for benchmark index viz. BSE SENSEX/NIFTY 50.
4. In case of reporting dates falling on a trading holiday or a day on which there was no trading in the scrip, values for the trading day immediately preceding the trading holiday/ no trading day for the scrip/benchmark, have been considered.
5. 30<sup>th</sup> calendar day has been taken as listing date plus 29 calendar days; 90<sup>th</sup> calendar day has been taken as listing date plus 89 calendar days; 180<sup>th</sup> calendar day has been taken a listing date plus 179 calendar days.

Track Record of past issues handled by Beeline Capital Advisors Private Limited

For details regarding track record of BRLM 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 BRLM at: [www.beelinemb.com](http://www.beelinemb.com)

Note:

**Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.**

## **SECTION XIII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

For details in relation to Issue expenses, see “Objects of the Issue” and “Other Regulatory and Statutory Disclosures” on pages 83 and 210, respectively.

#### **Authority for the Issue**

The present Public Issue of Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on January 07, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on January 11, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

#### **Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "Description of Equity Shares and terms of the Articles of Association" on page 262 of the Draft Red Herring Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “Dividend Policy” on page 152 of the Draft Red Herring Prospectus.

#### **Face Value and Issue Price and Price Band**

The face value of each Equity Share is ₹ 10 and the Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national daily newspaper and all editions of [●], a Hindi national daily newspaper and [●], a regional newspaper each with widecirculation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, alongwith the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum ApplicationForms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultationwith the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered byway of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all

disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “Description of EquityShares and terms of the Articles of Association” beginning on page 262 of the Draft Red Herring Prospectus.

### **Allotment only in Dematerialised Form**

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated February 10, 2023 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated February 07, 2023 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

### **Minimum Application Value, Market Lot and Trading Lot**

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders in case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## Withdrawal of the Issue

Our Company in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Board meeting for Allotment. In such an event our Company would issue a public notice in the newspapers, in which the pre-issue advertisements were published, within two days of the issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The 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 day of receipt of such notification. Our Company shall also promptly inform the Stock Exchange on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Prospectus.

## ISSUE PROGRAM

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

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

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

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

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/ Offer Closing Date, as is typically experienced in public Offer, some Bid-Cum- Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum- Application Forms that cannot be uploaded will not be considered for allocation under this 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 Bidders are not allowed to withdraw or lower the size of their application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum- Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, 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 Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum- Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs /RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of syndicate members.

### **Minimum Subscription**

In accordance with Regulation 260 (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Draft 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 not be less than Rs. 1,00,000 (Rupees One Lakh) per application.

As per section 39 of the Companies Act 2013, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under

Section 39 read with Rule 11 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

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.

#### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

#### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "Capital Structure" beginning on page 60 of the Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading " Description of Equity Shares and terms of the Articles of Association " on page 262 of the Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated 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.

#### **Allotment of Securities in Dematerialised Form**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

### Migration to Main Board

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the EMERGE Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 Crore by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board or
- If the Paid-Up Capital of our Company is more than ₹10.00 Crore and up to ₹25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### Market Making

The shares offered through this Issue are proposed to be listed on the SME platform of NSE, wherein the Book Running Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the Book Running Lead Manager and the Market Maker please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 49 of the Draft Red Herring Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹20 Crore	25%	24%

Further, the Market Maker shall give (2) Two ways quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

### Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish

a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper, [●]; (ii) All editions of Hindi National Newspaper, [●] and (iii) Regional Newspaper, [●] each with wide circulation. In the pre-Issue advertisement, we shall state the Bid/Issue 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.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Chandigarh, Punjab.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

### ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (1) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is less than Rs. 10 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the EMERGE Platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 221 and 232 of the Draft Red Herring Prospectus.

The Issue comprise of a Public Issue of upto 23,10,000 Equity Shares of Face Value of ₹10/- each fully paid (The “Equity Shares”) for cash at a price of [●] per Equity Shares (including a premium of [●] per equity share) aggregating to [●] lakhs (“the issue”) by our Company of which [●] Equity Shares of [●] each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of [●] Equity Shares of [●] each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute [●] and [●] respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Book Building Process

Particulars of the Issue <sup>(2)</sup>	Market Maker Reservation Portion	QIBs <sup>(1)</sup>	Non-Institutional Applicants	Retail Individual Investors
Number of Equity Shares available for allocation	Up to [●] Equity Shares	Not more than [●] Equity Shares.	Not less than [●] Equity Shares	Not less than [●] Equity Shares
Percentage of offer Size available for allocation	[●]% of the Issue Size	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB 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 QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Issue	Not less than 35% of the Net Issue
Basis of Allotment <sup>(3)</sup>	Firm Allotment	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a)	Proportionate	Proportionate



		above. Up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Mode of Bid	Only through the ASBA process.		Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			
Minimum Bid Size	[●] Equity Shares in multiple of [●] Equity shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity shares in multiple of [●] Equity shares that Bid size exceeds Rs 2,00,000	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed Rs 2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the offer (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs 2,00,000
Trading Lot	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
Mode of Bid	Only through the ASBA process (except for Anchor Investors)			
		only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price		
Mode of Bid	Only through the ASBA process.		Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment
Mode of Allotment	Compulsorily in dematerialized form			





Minimum Bid Size	[●] Shares in multiple of [●] Equity Shares	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity shares in multiple of [●] Equity shares that Bid size exceeds Rs 2,00,000	[●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed Rs 2,00,000
Maximum Bid Size	[●] Equity Shares	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the offer (excluding the QIB portion), subject to limits as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed Rs 2,00,000
Trading Lot	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof
Terms of Payment	Full Bid Amount shall be blocked by the SCBSs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup>			
Mode of Bid	Only through the ASBA process (except for Anchor Investors)			

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please refer to “Issue Structure” on page 228 of the Draft Red Herring Prospectus.

- (1) Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.
- (2) In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.
- (3) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.
- (4) 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.

### 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.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.



The Book Running Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

**Bid/Issue Programme:**

<b>Events</b>	<b>Indicative Dates</b>
Bid/Issue Opening Date	[•]
Bid/ Issue Closing Date	[•]
Finalization of Basis of Allotment with the Designated Stock Exchange	[•]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	[•]
Credit of Equity Shares to Demat accounts of Allottees	[•]
Commencement of trading of the Equity Shares on the Stock Exchange	[•]

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

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all 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; (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.

SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase I was effective till June 30, 2019.

With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI. The Issue has been undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public Issues and redressing investor grievances. This circular shall come into force for initial public Issues opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Prospectus. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 modifying the process timelines and extending the implementation timelines for certain measures introduced by the March 16 Circular. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 5,00,000/- shall use the UPI Mechanism.

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

Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus.

Further, our Company, the Promoter and the Members of the Syndicate are not liable for any adverse occurrences consequent to the

implementation of the UPI Mechanism for application in the Issue.

### **Book Building Procedure**

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, undersubscription, 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.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

### **Phased implementation of Unified Payments Interface**

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing

continues to be six Working Days during this phase.

**Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least one day prior to the Bid/ Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details and authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Issue is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

- i. RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- ii. RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.
- iii. QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Anchor Investors are not permitted to participate in the Issue through the ASBA process.

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour*
Anchor Investor**	White
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

\*Excluding Electronic Bid cum Application Form

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for

payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall notsubmit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after acceptingthe Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counterfoil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physicalor electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified



by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

### **Availability of Draft Red Herring Prospectus and Bid Cum Application Forms**

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE (www.nseindia.com) at least one day prior to the Bid/ Issue Opening Date.

Bid cum application for for Anchor Investor shall be made available at the Office of the BRLM.

### **Who can Bid?**

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders is as follows:

- a) Indian nationals' resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the application is being made in the name of the HUF in the Bid Cum Application Form as follows: —Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 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 Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

## MAXIMUM AND MINIMUM APPLICATION SIZE

### 1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed Rs. 2,00,000.

### 2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB 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 Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

**The above information is given for the benefit of the Bidders. The Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Mohali Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least two Working Days



prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Mohali Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the Book Running Lead Manager.

b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ 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 232 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, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b. Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d. Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e. The price of the specified securities offered to an anchor investor shall not be lower than the price offered 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 Draft 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 Draft Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic

Bid Cum Application Forms will also be available on the websites of the Stock Exchange.

4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

#### **BIDS BY 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 ELIGIBLE NRI'S:**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

#### **BIDS BY FPI INCLUDING FII'S:**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its

registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Offer, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post- Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

#### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S:**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.



There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

#### **BIDS BY HUFs**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS:**

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple applications provided that the Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS:**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof. Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **BIDS BY INSURANCE COMPANIES:**

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid by Insurance Companies without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- 1) equity shares of a company: the least of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- 2) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- 3) the industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or

a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (1), (2) and (3) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **BIDS UNDER POWER OF ATTORNEY:**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof. In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.
- c) With respect to Bids made by provident funds with a minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.
- d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form
- e) Our Company in consultation with the BRLM in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, the BRLM and the Syndicate Members are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

#### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS:**

In case of Bids made by provident funds with minimum corpus of ₹ 25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

#### **BIDS BY BANKING COMPANY:**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but



not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

#### **BIDS BY SCSB'S:**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and *clear demarcated funds should be available in such account for such Bid cum applications.*

#### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE:**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder

#### **Issue Procedure for Application Supported by Blocked Account (ASBA) Bidders**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

#### **Terms of payment**

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the

Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case maybe.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Payment into Escrow Account for Anchor Investors**

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: — “Pentagon Rubber Limited IPO – Anchor Account- R”
- b. In case of Non-Resident Anchor Investors: — “Pentagon Rubber Limited IPO – Anchor Account- NR”
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the 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 Offer, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue This facility will available at the

terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.

6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into the on-line system:

- Name of the Bidder;
- IPO Name;
- Bid Cum Application Form Number;
- Investor Category;
- PAN (of First Bidder, if more than one Bidder);
- DP ID of the demat account of the Bidder;
- Client Identification Number of the demat account of the Bidder;
- Number of Equity Shares Applied for;
- Bank Account details;
- Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
- Bank account number.

8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.

9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book

Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Build of the Book**

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

### **Withdrawal of Bids**

- a) RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **Price Discovery and Allocation**

- a) Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price 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 spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- d) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.

- e) In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
- f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

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

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

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

#### **Signing of Underwriting Agreement and Registering of Red Herring Prospectus/Prospectus with ROC**

- a) Our company has entered into an Underwriting Agreement dated [●]
- b) A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be registered with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

#### **Pre- Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Draft Red Herring Prospectus with the ROC, publish a pre- Issue 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 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.

#### **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. Retail Individual Investor 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 Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise



- provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
  27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.
  28. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed Rs. 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party.  
Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Other instructions for the Bidders Joint Bids**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

**Multiple Bids**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

**Investor Grievance**

In case of any pre- Issue or post Issue related problems regarding demat credit / refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.



## Nomination Facility to Bidders

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

## Submission of Bids

- (a) During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- (b) In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the DRHP.

## GROUNDINGS OF TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form/ Application Form does not tally with the amount payable for the value of the Equity Shares Bid/ Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;

- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the DRHP and as per the instructions in the DRHP and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GIR.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the DRHP. For details in relation to allocation, the Bidder may refer to the RHP.
- b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

## ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to DRHP. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

### BASIS OF ALLOTMENT

#### a. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

#### b. For Non-Institutional Bidders

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### c. For QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the 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.

**d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

- i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
- ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹2 crores;

a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and

- in case of allocation above twenty five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty five crore rupees and an additional 10 such investors for every additional twenty five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

c) In the event that the 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 NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:**

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this DRHP.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Executive Director / Managing Director of NSE - the Designated Stock Exchange in addition to Book Running Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

### Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.

The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the 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 credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the

Companies Act, 2013 or other applicable provisions, if any

### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the 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 Offer, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre- Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.



The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 6 (Six) 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 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

### **Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within six working days from Issue Closing date.
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That our Promoter 's contribution in full has already been brought in;
- 6) That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the



Application monies are refunded on account of non-listing, undersubscription etc.;

- 7) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 8) If our Company does not proceed with the Issue after the Bid/ Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre- Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) If our Company withdraws the Issue after the Bid/ Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

#### **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 Offer, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the 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.

#### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Tripartite Agreement dated February 10, 2023 between NSDL, the Company and the Registrar to the Issue;
- b) Tripartite Agreement dated February 07, 2023 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE0ORS01017

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which 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 RBI also issues Master Circular on Foreign Investment in India every year. Presently, FDI in India is being governed by Master Circular on Foreign Investment dated July 01, 2015 as updated from time to time by RBI and Master Direction –Foreign Investment In India (updated upto March 08, 2019). In terms of the Master Circular, an Indian company may issue fresh shares to people resident outside India (who is eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular and Master Direction. 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 filing of Form FC-GPR.

In case of investment in sectors through Government Route, approval from competent authority as mentioned in Chapter 4 of the FDI Policy 2020 has to be obtained.

The transfer of shares between an Indian resident to a non-resident does not require the prior approval of the RBI, subject to fulfilment of certain conditions as specified by DIPP / RBI, from time to time.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020 and amendments from time to time thereupon, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Schedule 1, 2, 3, 6, 7, 8, 9, 10 and 11 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations, 2017 as amended from time to time. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral /statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral /statutory cap.

### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognized stock exchange in India by Non- Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Schedule 3 of the FEMA (Transfer or Issue of security by a person resident outside India) Regulations, 2017 as amended from time to time. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident outside India) Regulations – Purchase/ sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non-repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

**Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.**

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

### SECTION XIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE NO.	INTERPRETATION	HEADING
<b>1.</b>	<p>In these Articles unless there be something in the subject matter or context inconsistent therewith:</p> <ul style="list-style-type: none"> <li>i. “The Act” means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.</li> <li>ii. “Articles” means Articles of Association of the Company as originally framed or altered from time to time</li> <li>iii. “Beneficial Owner” shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.</li> <li>iv. “Board” or “Board of Director” means the Collective body of the Board of Directors of the Company.</li> <li>v. “Chairman” means the Chairman of the Board of the Directors of the Company.</li> <li>vi. “The Company” means Pentagon Rubber Limited.</li> <li>vii. “Depositories Act, 1996” shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.</li> <li>viii. “Depository” shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.</li> <li>ix. “Directors” mean the Directors for the time being of the Company.</li> <li>x. “Dividend” includes any interim dividend.</li> <li>xi. “Document” means a document as defined in Section 2 (36) of the Companies Act, 2013.</li> <li>xii. “Equity Share Capital”, with reference to any Company limited by shares, means all share capital which is not preference share capital;</li> <li>xiii. “KMP” means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.</li> <li>xiv. “Managing Director” means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.</li> <li>xv. “Month” means Calendar month.</li> <li>xvi. “Office” means the registered office for the time being of the Company.</li> <li>xvii. “Paid-up share capital” or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;</li> <li>xviii. “Postal Ballot” means voting by post or through any electronic mode.</li> <li>xix. “Proxy” includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.</li> <li>xx. “Public Holiday” means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.</li> <li>xxi. “Registrar” means the Registrar of Companies of the state in which the Registered</li> </ul>	Interpretation



	<p>Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.</p> <p>xxii. “Rules” means the applicable rules as prescribed under the relevant sections of the Act for time being in force.</p> <p>xxiii. “SEBI” means Securities &amp; Exchange Board of India established under Section 3 of the Securities &amp; Exchange Board of India Act, 1992.</p> <p>xxiv. “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)</p> <p>xxv. “Share” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.</p> <p>xxvi. “Seal” means the common seal of the Company.</p> <p>xxvii. “Preference Share Capital”, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—  <i>(i)</i> payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and  <i>(ii)</i> repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;</p> <p>xxviii. “Persons” include corporations and firms as well as individuals.</p> <p>Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.</p> <p>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.</p> <p>‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.</p>	
<p><b>2.</b></p>	<p>The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.</p>	<p>Share Capital</p>
<p><b>3.</b></p>	<p>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. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.</p>	
<p><b>4.</b></p>	<p>Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.</p>	<p>Issue of Sweat Equity Shares</p>
<p><b>5.</b></p>	<p>The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, 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 the General Meetings (but not voting on any</p>	<p>Issue of Debentures</p>



	business to be conducted), appointment of Directors on Board 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.	
6.	<p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>	Issue of Share Certificate
7.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	
8.	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.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company..	
10.	<p>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>	Power to pay Commission In connection with the Securities issued
11.	<p>i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths</p>	Variations of Shareholder's rights





	<p>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.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>	
<b>12.</b>	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.	
<b>13.</b>	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.	Issue of Preference Shares
<b>14.</b>	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p>	Further Issue of shares
<b>15.</b>	<p>i. The Company shall have a first and paramount lien—</p> <p>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company;</p> <p>c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	Lien





<b>16.</b>	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— <ol style="list-style-type: none"><li>a. unless a sum in respect of which the lien exists is presently payable; or</li><li>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.</li></ol>	
<b>17.</b>	<ol style="list-style-type: none"><li>i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</li><li>ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.</li><li>iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</li></ol>	
<b>18.</b>	<ol style="list-style-type: none"><li>i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</li><li>ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</li></ol>	
<b>19.</b>	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles: - <ol style="list-style-type: none"><li>a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</li><li>b) The joint-holders of any shares 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.</li><li>c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.</li><li>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</li><li>e) 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, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.</li></ol> <ol style="list-style-type: none"><li>(i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.</li><li>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</li></ol>	Joint Holdings



	g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.	
20.	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	Calls on Shares
21.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	
22.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
23.	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	
24.	<p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>	
25.	<p>The Board—</p> <p>i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>	
26.	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
27.	The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.	
28.	The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.	
29.	<p>i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.</p> <p>ii. Each share in the Company shall be distinguished by its appropriate number.</p> <p>iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.</p>	



<p><b>30.</b></p>	<ul style="list-style-type: none"> <li>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</li> <li>ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</li> </ul>	
<p><b>31.</b></p>	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> <li>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>ii. any transfer of shares on which the Company has a lien.</li> <li>iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares 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.</li> </ul>	
<p><b>32.</b></p>	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <ul style="list-style-type: none"> <li>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</li> <li>ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.</li> </ul> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> <li>iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),</li> <li>iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;</li> <li>v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.</li> </ul>	
<p><b>33.</b></p>	<p>The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay</p>	
<p><b>34.</b></p>	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year</p>	
<p><b>35</b></p>	<p>The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.</p>	
<p><b>36.</b></p>	<p>The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.</p>	<p>Register of Transfers</p>
<p><b>37.</b></p>	<ul style="list-style-type: none"> <li>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles. <ul style="list-style-type: none"> <li>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</li> </ul> </li> </ul>	<p>Dematerialisation of Securities</p>



	<p>b. Option for Investors:</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form: -</p> <ul style="list-style-type: none"><li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li><li>• Nothing contained in Sections 88, 89, 112 &amp; 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.</li></ul> <p>d. Rights of Depositories &amp; Beneficial Owners: -</p> <p>Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with</p>	
--	--	--



	<p>the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
38.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	Transmission of Shares
39.	<p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>a. to be registered himself as holder of the share; or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	
40.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>	
41.	<p>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:</p> <p>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.</p>	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.</p>	
43.	<p>If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p>	Forfeiture of Shares
44.	<p>The notice aforesaid shall—</p>	



	<ul style="list-style-type: none"> <li>i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and</li> <li>ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</li> </ul>	
<b>45.</b>	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	
<b>46.</b>	<ul style="list-style-type: none"> <li>i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</li> <li>ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</li> </ul>	
<b>47.</b>	<ul style="list-style-type: none"> <li>i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.</li> <li>ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.</li> </ul>	
<b>48.</b>	<ul style="list-style-type: none"> <li>i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</li> <li>ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;</li> <li>iii. The transferee shall thereupon be registered as the holder of the share; and</li> <li>iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</li> </ul>	
<b>49.</b>	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	
<b>50.</b>	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold 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.	
<b>51.</b>	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
<b>52.</b>	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
<b>53.</b>	The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	
<b>54.</b>	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	
<b>55.</b>	Neither a judgment in favour of the Company for calls or other moneys due in respect of any	Initial





	shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to 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 proceeding to enforce forfeiture of such shares as hereinafter provided.	payment not to preclude forfeiture
56.	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	Alteration of Share Capital
57.	Subject to the provisions of section 61, the Company may, by ordinary resolution,—  <ul style="list-style-type: none"> <li>i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;</li> <li>ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</li> </ul>	
58.	Where shares are converted into stock,—  <ul style="list-style-type: none"> <li>i. 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:</li> </ul> <p>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.</p> <ul style="list-style-type: none"> <li>ii. 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.</li> <li>iii. Such of the articles 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.</li> </ul>	Conversion of Shares into Stock
59.	The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, —  <ul style="list-style-type: none"> <li>i. its share capital;</li> <li>ii. any capital redemption reserve account; or</li> <li>iii. Any share premium account.</li> </ul>	Reduction of Capital
60.	The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (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 of a share warrant.  The bearer of a share warrant may at any time, deposit the warrant in the office of the Company	Share Warrants





	<p>and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of 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 holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	
<p><b>61.</b></p>	<ul style="list-style-type: none"> <li>i. The Company in general meeting may, upon the recommendation of the Board, resolve— <ul style="list-style-type: none"> <li>a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and</li> <li>b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</li> </ul> </li> <li>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards— <ul style="list-style-type: none"> <li>a. paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</li> <li>c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</li> <li>e. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ul> </li> <li>iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</li> </ul>	<p>Capitalization of Profits</p>
<p><b>62.</b></p>	<ul style="list-style-type: none"> <li>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall— <ul style="list-style-type: none"> <li>a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</li> <li>b. generally to do all acts and things required to give effect thereto.</li> </ul> </li> </ul>	



	<p>ii. The Board shall have power—</p> <p>a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and</p> <p>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
63.	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.	Buy back of Shares
64.	All General Meetings other than annual general meeting shall be called extra-ordinary general meetings	General Meeting
65.	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>	
66.	<p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	Proceedings at General Meetings
67.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
68.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	
69.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.	
70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of	



	every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	<ul style="list-style-type: none"> <li>ii. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</li> <li>iii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</li> </ul>	Demand for Poll
73.	<ul style="list-style-type: none"> <li>i. A poll demanded on a question of adjournment shall be taken forthwith.</li> <li>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</li> </ul>	Time of taking Poll
74.	<ul style="list-style-type: none"> <li>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</li> <li>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</li> <li>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</li> <li>iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.</li> </ul>	Adjournment of Meeting
75.	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— <ul style="list-style-type: none"> <li>i. on a show of hands, every member present in person shall have one vote; and</li> <li>ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.</li> </ul>	
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	<ul style="list-style-type: none"> <li>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.</li> <li>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</li> </ul>	Voting Rights
78.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	
79.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have	



	previously admitted his right to vote at such meeting in respect thereof.	
80.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
81.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.	
82.	<ul style="list-style-type: none"> <li>i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.</li> <li>ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.</li> </ul>	
83.	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
84.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	Casting Vote
85.	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.	Representation of Body Corporate
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	Circulation of member's Resolution
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	Resolution requiring special notice
88.	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date	Resolutions passed at adjourned meeting
89.	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	Registration of resolutions and agreements
90.	<ul style="list-style-type: none"> <li>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</li> <li>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed: <ul style="list-style-type: none"> <li>A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</li> <li>B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</li> <li>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</li> <li>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</li> </ul> </li> </ul>	Minutes of proceedings of general meeting and of Board and other meetings



	<p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>a. the names of the Directors present at the meetings, and</p> <p>b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <p>a. is or could reasonably be regarded, as defamatory of any person</p> <p>b. is irrelevant or immaterial to the proceedings; or</p> <p>c. in detrimental to the interests of the Company.</p> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	
91.	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	Minutes to be considered to be evidence
92.	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	Publication of reports of proceeding of general meetings
93.	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.	Proxy
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
95.	<p>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:</p> <p>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.</p>	
96.	<p>The First Directors of the Company shall be:</p> <ol style="list-style-type: none"> <li>1. Mr. Anil Jain</li> <li>2. Mr. Lalit Jain</li> <li>3. Mr. Ashish Jain</li> <li>4. Mr. Saurabh Jain</li> </ol>	Board of Directors
97.	The Directors need not hold any "Qualification Share(s)".	
98.	Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:	



	<p>He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	
<b>99.</b>	<p>i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</p> <p>b. in connection with the business of the company.</p>	
<b>100.</b>	The Board may pay all expenses incurred in getting up and registering the company.	
<b>101.</b>	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.	
<b>102.</b>	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.	
<b>103.</b>	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.	
<b>104.</b>	<p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>	
<b>105.</b>	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	Retirement and Rotation of Directors
<b>106.</b>	The remaining Directors shall be appointed in accordance with the provisions of the Act.	
<b>107.</b>	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.	
<b>108.</b>	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	
<b>109.</b>	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	





110.	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.	
111.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as “the Corporation”) continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.	
112.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
113.	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	Nominee Director
114.	The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors. Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.	
115	Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
116.	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	
117.	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.	Removal of Director
118.	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
119	Where notice is given of a resolution to remove a Director under this Article and the Director	





	<p>concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <p>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</p> <p>(b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:</p> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	
<b>120.</b>	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
<b>121</b>	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
<b>122.</b>	If the vacancy is not filled under clause (5) above, it may be filled as a casual vacancy in accordance with the provisions of this Act: Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.	
<b>123.</b>	Nothing in this section shall be taken- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or b) as derogating from any power to remove a director under other provisions of this Act.	
<b>124.</b>	Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.  In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them. a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or b. In connection with the business of the Company.	Remuneration and sitting fees to Directors including Managing and whole time Directors
<b>125</b>	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/-(Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.	



<p><b>126.</b></p>	<p>i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.</p> <p>a. The power to make calls on shareholders in respect of money unpaid on their shares;  b. The Power to authorize buy-back of securities under Section 68 of the Act.  c. Power to issue securities, including debenture, whether in or outside India  d. The power to borrow moneys  e. The power to invest the funds of the Company,  f. Power to Grant loans or give guarantee or provide security in respect of loans  g. Power to approve financial statements and the Board’s Report  h. Power to diversify the business of the Company  i. Power to approve amalgamation, merger or reconstruction  j. Power to take over a Company or acquire a controlling or substantial stake in another Company  k. Powers to make political contributions;  l. Powers to appoint or remove key managerial personnel (KMP);  m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;  n. Powers to appoint internal auditors and secretarial auditor;  o. Powers to take note of the disclosure of director’s interest and shareholding;  p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;  q. Powers to invite or accept or renew public deposits and related matters;  r. Powers to review or change the terms and conditions of public deposit;  s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.</p>	<p><b>Powers and duties of Directors:</b></p> <p><b>Certain powers to be exercised by the Board only at meeting</b></p>
<p><b>127.</b></p>	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting:</p>	<p><b>Restriction on powers of</b></p>



	<p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which ill in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	<p><b>Board</b></p>
<p><b>128.</b></p>	<p>Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.</p>	
<p><b>129.</b></p>	<p>Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.</p>	<p>General powers of the Company vested in Directors</p>
<p><b>130.</b></p>	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <p>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</p>	<p>Specific Power given to Directors</p>



	<ul style="list-style-type: none"><li>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</li><li>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</li><li>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</li><li>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</li><li>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</li><li>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</li><li>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</li><li>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</li><li>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</li></ul>	
--	---	--



	<ul style="list-style-type: none"><li>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</li><li>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</li><li>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</li><li>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</li><li>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</li><li>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</li><li>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</li><li>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</li></ul>	
--	---	--



	<p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
<p><b>131.</b></p>	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	<p>MANAGING DIRECTORS</p> <p>Power to appoint Managing or Whole-time Directors</p>
<p><b>132.</b></p>	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	<p>Proceedings of the Board</p>





133.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
134.	<ul style="list-style-type: none"> <li>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</li> <li>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</li> </ul>	
135	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.	
136.	The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
137.	<ul style="list-style-type: none"> <li>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</li> <li>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</li> </ul>	
138.	<ul style="list-style-type: none"> <li>a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.</li> <li>b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.</li> </ul>	
139.	<ul style="list-style-type: none"> <li>a) A committee may elect a Chairperson of its meetings.</li> <li>b) 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.</li> </ul>	
140.	<ul style="list-style-type: none"> <li>a) A committee may meet and adjourn as it thinks fit.</li> <li>b) 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.</li> </ul>	Delegation of Powers of Board to Committee
141.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	
142.	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	
143.	<p>Subject to the provisions of the Act—</p> <ul style="list-style-type: none"> <li>a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;</li> <li>b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.</li> </ul>	
144.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, 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.	
<b>145.</b>	<ul style="list-style-type: none"> <li>a) The Board shall provide for the safe custody of the seal.</li> <li>b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.</li> </ul>	The Seal
<b>146.</b>	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	
<b>147.</b>	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.	
<b>148.</b>	<ul style="list-style-type: none"> <li>a) 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 equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.</li> <li>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</li> </ul>	
<b>149.</b>	<ul style="list-style-type: none"> <li>a) 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.</li> <li>b) 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.</li> <li>c) 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.</li> </ul>	Dividends and Reserve
<b>150</b>	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.	
<b>151.</b>	<ul style="list-style-type: none"> <li>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.</li> <li>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</li> </ul>	
<b>152.</b>	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	
<b>153.</b>	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.	
<b>154.</b>	No dividend shall bear interest against the Company.	



	<p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>	
155.	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	
156.	<p>The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.</p>	
157.	<p>Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.</p>	
158.	<p>a) 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.</p> <p>b) 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.</p>	Accounts
159.	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <p style="margin-left: 40px;">i. be kept at the registered office of the Company, and</p> <p style="margin-left: 40px;">ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p>	Inspection of Statutory Documents of the Company:
160.	<p>Register of charges:</p> <p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p>	



	<p>a. by any member or creditor without any payment of fees; or  b. by any other person on payment of such fees as may be prescribed,</p> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	
<b>161.</b>	<p>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>	Audit
<b>162.</b>	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <p>i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</p>	Winding up
<b>163.</b>	<p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—</p>	Indemnity
<b>164.</b>	<p>(a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board 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.</p> <p>(b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>	Secrecy

## SECTION XV – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus, delivered to the Registrar of Companies, for registration. Copies of the above-mentioned contracts and also the documents for inspection referred to hereunder, may be inspected online with Registrar of Companies and at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date.

#### **Material Contracts**

1. Memorandum of Understanding dated February 24, 2023 between our Company Book Running Lead Manager to the Issue.
2. Agreement dated February 21, 2023 executed between our Company and the Registrar to the Issue (Link Intime India Private Limited)
3. Market Making Agreement dated [●] between our Company, Book Running Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated [●] among our Company, Book Running Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated [●] between our Company, Book Running Lead Manager and Underwriters.
6. Tripartite Agreement dated February 07, 2023 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated February 10, 2023 among NDSL, the Company and the Registrar to the Issue.
8. Syndicate Agreement dated [●] between our Company, Book Running Lead Manager and Syndicate Member.

#### **Material Documents**

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated April 26, 2004 issued by the Registrar of Companies, Punjab, H.P.& Chandigarh.
3. Fresh Certificate of Incorporation dated December 28, 2022 issued by the Registrar of Companies, Chandigarh consequent upon Conversion of the Company to Public Company.
4. Copy of the Board Resolution dated January 07, 2023 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated January 11, 2023 authorizing the Issue and other related matters.
6. Copies of Standalone Audited Financial Statements of our Company for the period ended September 30, 2022 and years ended March 31, 2022, 2021 & 2020.
7. Peer Review Auditors Report dated March 01, 2023 on Restated Standalone Financial Statements of our Company for the period ended September 30, 2022 and for the years ended March 31, 2022, 2021 & 2020.
8. Copy of the Statement of Tax Benefits dated March 07, 2023 from the Statutory Auditor.
9. Certificate from the Statutory Auditor of the Company dated March 07, 2023 with respect to the KPIs disclosed in this Draft Red Herring Prospectus.
10. Consents of the Book Running Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to our Company, Banker to the Issue, Sponsor Bank, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, as referred to, in their respective capacities.
11. Board Resolution dated March 17, 2023 for approval of Draft Red Herring Prospectus, dated [●] for approval of Red Herring Prospectus and dated [●] for approval of Prospectus.
12. Due Diligence Certificate from Book Running Lead Manager dated [●] filed with SEBI.
13. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge.

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 shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

**DECLARATION**

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/ regulations issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Red Herring Prospectus. No statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE DIRECTORS OF OUR COMPANY:**

---

**Mr. Ashish Jain**  
*Chairman & Managing Director*  
DIN: 00738412

---

**Mr. Anil Jain**  
*Whole-Time Director*  
DIN: 00247981

---

**Mr. Lalit Jain**  
*Non-Executive Director*  
DIN: 00249128

---

**Mr. Saurabh Jain**  
*Whole-Time Director*  
DIN: 00761460

---

**Mr. Manish Verma**  
*Independent Director*  
DIN: 08034159

---

**Mrs. Preet Kamal Kaur Bhatia**  
*Independent Director*  
DIN: 07070977

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY: -

---

**Mr. Varun Jain**  
*Chief Financial Officer*

---

**Ms. Shubhi Kishore**  
*Company Secretary and Compliance Officer*

**Date – March 17, 2023**  
**Place – Mohali**