



(Please scan this QR Code to view
the Draft Red Herring Prospectus)

DRAFT RED HERRING PROSPECTUS
Dated February 27, 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



COMRADE APPLIANCES LIMITED
Corporate Identification Number: U74999MH2017PLC292817

| Registered Office | | Contact Person | Email and Telephone | Website |
|--|--|--|--|--|
| Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West, Mumbai - 400102, Maharashtra, India. | | Ms. Kiran Tilwani Company Secretary and Compliance Officer | Email Id: info@comrade.net.in Tel No.: 022-66959545 | www.comrade.net.in |
| PROMOTERS OF THE COMPANY: M/S TROUPE TECHNOLOGIES PRIVATE LIMITED, MR. KHURSHED ALAM AND MR. MEHBOOB ALAM | | | | |
| DETAILS OF THE ISSUE | | | | |
| Type | Fresh Issue Size (In ₹ Lakhs) | OFS Size (In ₹ Lakhs) | Total Issue Size | Eligibility |
| Fresh Issue | Upto 19,08,000 Equity Shares amounting to ₹ [●] Lakh | Nil | Upto 19,08,000 Equity Shares amounting to ₹ [●] Lakh | THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229 AND 253(1) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED. |

DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDER AND THEIR AVERAGE COST OF ACQUISITION: NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is [●] times of the face value of the Equity Shares. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager as stated in “Basis for Issue Price” on page 84 should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in 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 in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 26 of this Draft Red Herring Prospectus.


ISSUER’S ABSOLUTE RESPONSIBILITY

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


LISTING

The Equity Shares Issued through this Draft Red Herring Prospectus are proposed to be listed on the SME Platform of BSE Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited (“BSE”).

BOOK RUNNING LEAD MANAGER TO THE ISSUE

| Name and Logo | Contact Person | Email & Telephone |
|---|--------------------------|---|
|  GRETEX CORPORATE SERVICES LIMITED | Ms. Dimple Magharam Slun | Email: info@gretexgroup.com Tel No.: +91 96532 49863 |

REGISTRAR TO THE ISSUE

| Name and Logo | Contact Person | Email & Telephone |
|---|-------------------|--|
|  BIGSHARE SERVICES PRIVATE LIMITED | Mr. Sagar Pathare | Email: ipo@bigshareonline.com Tel: +91 22 6263 8200 |

ISSUE PROGRAMME

| ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●] | ISSUE OPENS ON: [●] | ISSUE CLOSES ON: [●] |
|---|---------------------|----------------------|
|---|---------------------|----------------------|

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



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DRAFT RED HERRING PROSPECTUS
Dated February 27, 2023
Please read Section 26 & 32 of the
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(This Draft Red Herring Prospectus will be
updated upon filing with the RoC)
100% Book Built Issue



COMRADE APPLIANCES LIMITED
Corporate Identification Number: U74999MH2017PLC292817

Our Company was originally incorporated as Comrade Appliances Private Limited on March 22, 2017 vide certificate of incorporation bearing CIN U74999MH2017PTC292817 as a Private Limited Company under the provisions of the Companies Act, 2013 issued by Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a Special Resolution of our Shareholders passed at the Extra-Ordinary General Meeting held on November 10, 2022, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to 'Comrade Appliances Limited' and a Fresh Certificate of Incorporation consequent to Conversion was issued on December 13, 2022 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U74999MH2017PLC292817 please refer to section titled '*Our History and Certain Other Corporate Matters*' beginning on page 121 of this Draft Red Herring Prospectus.

Registered Office: Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West, Mumbai - 400102, Maharashtra, India.

Contact Person: Ms. Kiran Tilwani; **Company Secretary and Compliance Officer**
Tel: 022-66959545; **E-mail:** info@comrade.net.in; **Website:** www.comrade.net.in

Our Promoters: M/s Troupe Technologies Private Limited, Mr. Khurshed Alam and Mr. Mehboob Alam

DETAILS OF THE ISSUE

PUBLIC ISSUE OF UPTO **19,08,000** EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH ("EQUITY SHARES") OF COMRADE APPLIANCES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ [●] LAKHS ("THE ISSUE") OF WHICH UPTO **96,000** EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. NET ISSUE OF UPTO **18,12,000** EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS (THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE **26.65%** AND **25.31%** RESPECTIVELY OF THE POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND WILL BE ADVERTISED IN [●] EDITION OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER) AND [●] EDITION OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND MUMBAI EDITION OF [●], A HINDI REGIONAL NEWSPAPER (HINDI BEING THE REGIONAL LANGUAGE OF MUMBAI WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF BSE ("BSE SME") FOR THE PURPOSES OF UPLOADING ON THEIR WEBSITE.

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

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein (not more than 50 % of the Net Issue) shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, (not less than 15% of the Net Issue) shall be available for allocation on a proportionate basis to Non-Institutional Bidders and (not less than 35% of the Net Issue) shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "*Issue Procedure*" beginning on page 201 of this Draft Red Herring Prospectus.

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "*Issue Procedure*" beginning on page 201 of this Draft Red Herring Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

The face value of the Equity Shares is ₹10.00. The Floor Price, Cap Price and Issue Price determined by our Company, in consultation with the Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Issue Price*" on page 84 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section "*Risk Factors*" beginning on page 26 of this Draft Red Herring Prospectus.


ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

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

BOOK RUNNING LEAD MANAGER TO THE ISSUE


GRETEX CORPORATE SERVICES LIMITED
Office No. 13, 1st Floor, New Bansilal Building, Raja Bahadur Mansion, 9-15, Homi Modi Street, Fort, Mumbai- 400001, Maharashtra, India.
Tel No.: +91 96532 49863
Email: info@gretexgroup.com
Website: www.gretexcorporate.com
Contact Person: Ms. Dimple Magharam Slun
SEBI Registration No: INM000012177
CIN: L74999MH2008PLC288128

REGISTRAR TO THE ISSUE


BIGSHARE SERVICES PRIVATE LIMITED
S6-2, 6th Pinnacle Business Park, Mahakali Caves Road, next to Ahura Centre, Andheri East, Mumbai- 400093, Maharashtra, India
Tel No.: +91 - 22 - 6263 8200; **Fax No.:** +91 - 22 - 6263 8299
E-mail: ipo@bigshareonline.com
Investor Grievance E-mail: investor@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Sagar Pathare
SEBI Registration No.: INR000001385
CIN: U99999MH1994PTC076534

ISSUE PROGRAMME

ANCHOR PORTION ISSUE OPENS/CLOSES ON: [●]

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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

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SECTION-I GENERAL**DEFINITIONS AND ABBREVIATIONS**

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

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

Notwithstanding the foregoing, terms used in of the sections “Statement of Possible Tax Benefits”, “Financial Statements as Restated”, “Main Provisions of Articles of Association”, “Basis for Issue Price”, “Our History and Certain Corporate Matters”, “Other Regulatory and Statutory Disclosures” and “Outstanding Litigations and Material Developments” on pages 87, 149, 230, 84, 121, 179 and 170 respectively, shall have the meaning ascribed to such terms in the relevant section.

GENERAL TERMS

| Term | Description |
|--|--|
| “Comrade Appliances Limited”, “Comrade”, “CAL” “We” or “us” or “Our Company” or “the Issuer” | Unless the context otherwise indicates or implies, refers to Comrade Appliances Limited, a Public Limited Company incorporated as a Private Limited company under the Companies Act, 2013 and having its Registered Office at Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West, Mumbai - 400102, Maharashtra, India. |
| Promoter(s) / Core Promoter | The promoters of our Company being M/s Troupe Technologies Private Limited, Mr. Khursheed Alam and Mr. Mehboob Alam for further details, please refer to chapter titled “ Our Promoters and Promoter Group ” on page 142 of this Draft Red Herring Prospectus. |
| Promoter Group | Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of the SEBI (ICDR) Regulations as disclosed in the Chapter titled “ Our Promoters and Promoter Group ” on page 142 of this Draft Red Herring Prospectus. |

COMPANY RELATED TERMS

| Term | Description |
|--|--|
| AOA / Articles / Articles of Association | Unless the context otherwise requires, refers to the Articles of Association of Comrade Appliances Limited, as amended from time to time. |
| Audit Committee | Audit Committee of our Company constituted in accordance Section 177 of the Companies Act, 2013 and as described in the chapter titled “ Our Management ” beginning on page 121 of this Draft Red Herring Prospectus. |
| Auditor of our Company / Statutory Auditor | The Statutory Auditors of our Company, being M/s N B T & Co., Chartered Accountants holding a valid peer review certificate as mentioned in the section titled “ General Information ” beginning on page 46 of this Draft Red Herring Prospectus. |
| Banker to our Company | [●] as disclosed in the section titled “ General Information ” beginning on page 46 of this Draft Red Herring Prospectus. |
| Board / Board of Directors / Our Board | The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our directors, please refer to chapter titled “ Our Management ” beginning on page 121 of this Draft Red Herring Prospectus. |
| CIN / Corporate Identification Number | U74999MH2017PLC292817 |
| Chief Financial Officer / CFO | The Chief Financial Officer of our Company as mentioned in the chapter titled “ General Information ” beginning on page 46 of this Draft Red Herring Prospectus. |
| Company Secretary & Compliance Officer | The Company Secretary and Compliance Officer of our Company as mentioned in the chapter titled “ General Information ” beginning on page 46 of this Draft Red Herring Prospectus. |
| Director(s) / our Directors | Director(s) of our company unless otherwise specified |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |

| Term | Description |
|--------------------------------------|--|
| Depositories | National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). |
| Equity Shares / Shares | The equity shares of our Company of face value of ₹10.00 each unless otherwise specified in the context thereof. |
| Equity Shareholders / Shareholders | Persons / Entities holding Equity Shares of the Company |
| Financial Statements as Restated | The financial information of the Company which comprises of the Restated Statement of Assets and Liabilities for the stub period ended on August 31, 2022 and Financial Year ended on March 31, 2022; 2021 and 2020, the Restated Statement of Profit and Loss and the Restated Cash Flow Statement for the Stub period ended August 31, 2022 and Financial Year ended March 31, 2022; 2021 and 2020, and the related notes, schedules and annexures thereto included in this Draft Red Herring Prospectus, which have been prepared in accordance with the Companies Act, Indian GAAP, and restated in accordance with the SEBI ICDR Regulations. |
| Group Companies / Entities | Such companies / entities as covered under the applicable accounting standards and such other companies as considered material by the Board. For details of our Group Companies / entities, please refer “Our Group Companies” on page 179 of this Draft Red Herring Prospectus. |
| Indian GAAP | Generally Accepted Accounting Principles in India. |
| Independent Directors | Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer chapter titled “Our Management” beginning on page 121 of this Draft Red Herring Prospectus. |
| ISIN | International Securities Identification Number, being INEONXA01015 |
| Key Management Personnel / KMP | Key Managerial Personnel of our Company in terms of the Companies Act, 2013 and Regulation 2(1) (bb) of the SEBI (ICDR) Regulations 2018 and Section 2(51) of the Companies Act, 2013. For details, see section entitled “Our Management” beginning on page 121 of this Draft Red Herring Prospectus. |
| MD or Managing Director | The Managing Director of our Company, Mr. Khurshheed Alam. |
| Materiality Policy | The policy on identification of Group Companies, Material Creditors and Material Litigation, adopted by our Board on January 02, 2023 in accordance with the requirements of the SEBI (ICDR) Regulations. |
| MoA / Memorandum of Association | The Memorandum of Association of our Company, as amended from time to time |
| Nomination & Remuneration Committee | The Nomination and Remuneration Committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013, as disclosed in the chapter titled “Our Management” beginning on page 121 of this Draft Red Herring Prospectus. |
| Registered Office | The Registered Office of our Company situated at Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West, Mumbai - 400102, Maharashtra, India. |
| RoC / Registrar of Companies | Registrar of Companies, Mumbai situated at 100, Everest Building, Marine Drive, Mumbai - 400002, Maharashtra, India. |
| Stakeholders' Relationship Committee | The Stakeholder's Relationship Committee of our Company constituted in accordance with Section 178 of Companies Act, 2013 and as described under the chapter titled “Our Management” beginning on page 121 of this Draft Red Herring Prospectus. |
| Stock Exchange | Unless the context requires otherwise, refers to, the SME Platform of BSE Limited. |
| You or Your or Yours | Prospective Investors in this Issue. |

ISSUE RELATED TERMS

| Term | Description |
|--|---|
| Abridged Prospectus | Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form |
| Acknowledgement Slip | The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form. |
| Allocation / Allocation of Equity Shares | Unless the context otherwise requires, the allotment of the Equity Shares pursuant to the Issue. |
| Allot / Allotment / Allotted | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Bidders. |

| Term | Description |
|--|--|
| Allottee(s) | A successful Bidder(s) to whom the Equity Shares are being / have been allotted |
| Anchor Investor(s) | 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. |
| 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 Prospectus. |
| Anchor Investor Bid/ Issue Period | The date, one Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed. |
| Anchor Investor Issue Price | The price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Issue Price will be decided by our Company, in consultation with the Book Running Lead Manager. |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, 2018. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. |
| Anchor Investor 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. |
| Application Supported by Blocked Amount / ASBA | An Application, whether physical or electronic, used by ASBA Bidders other than Anchor Investors, to make a Bid and authorizing an SCSBs to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism. |
| ASBA Account | A bank account maintained with an SCSB and specified in the Application Form submitted by the Bidders or the account of the RII Applicants blocked upon acceptance of UPI Mandate Request by RIIs using the UPI mechanism, to the extent of the Application Amount specified by the Bidder. |
| ASBA Bidder(s) | Any prospective investors in the Issue who intend to submit the Application through the ASBA process except Anchor Investor. |
| ASBA Application Form | An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and Prospectus. |
| Bankers to the Company | Such banks which are disclosed as Bankers to our Company in the chapter titled “ General Information ” on page no. 46 of this Draft Red Herring Prospectus. |
| Bankers to the Issue / Refund Banker | The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being [●]. |
| Bankers to the Issue Agreement | Bank which is a clearing member and registered with SEBI as Banker to the Issue and with whom the Public Issue Account will be opened, in this case being [●]. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue, described in “ Issue Procedure ” on page 201 of this Draft Red Herring Prospectus. |
| Bid | An indication to make an offer during the Bid/ Issue Period by an ASBA Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations, 2018 and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term “Bidding” shall be construed accordingly. |

| Term | Description |
|--|---|
| Bid Amount | The highest value of optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Retail Individual Bidder or blocked in the ASBA Account upon submission of the Bid in the Issue. |
| Bid cum Application Form | Anchor Investor Application Form and/or the ASBA Form, as the context requires. |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |
| Bidding | The process of making the Bid. |
| Bid/ Issue Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers shall not accept the Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Mumbai Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue closing Date also to be notified on the website and terminals of the Syndicate, SCSB's and Sponsor Bank, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Mumbai Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Period | Except in relation to any Bids received from the Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date or the QIB Bid/ Issue Closing Date, as the case may be, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof. Provided however that the Bidding/ Issue Period shall be kept open for a minimum of three Working Days for all categories of Bidders. |
| Bidder/ Applicant | Any prospective investor who makes a bid pursuant to the terms of the Draft Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor. |
| Bidding | The process of making a Bid. |
| Bidding/ Collection Centers | Centers at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centers for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs. |
| \Book Building Process/ Book Building Method | Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made |
| BRLM / Book Running Lead Manager | Book Running Lead Manager to the Issue in this case being Gretex Corporate Services Limited, SEBI Registered Category I Merchant Banker. |
| Broker Centers | Broker centers notified by the Stock Exchanges, where the Bidders can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the name and contact details of the Registered Brokers, are available on the website of the BSE Limited on the following link- www.bseindia.com |
| BSE SME | SME Platform of BSE Limited |
| Business Day | Monday to Friday (except public holidays) |
| CAN / Confirmation of Allocation Note | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Biding Date. |
| Cap Price | The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price will not be finalised and above which no Bids will be accepted including any revisions thereof. |
| Circular's on Streamlining of Public Issues | Circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 amended by circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019 and any subsequent circulars issued by SEBI in this regard. |
| Client ID | Client identification number of the Bidder's beneficiary account |

| Term | Description |
|---|--|
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Controlling Branches / Controlling Branches of the SCSBs. | Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidders with the Registrar to the Issue and Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Cut Off Price | The Issue Price, finalised by our Company in consultation with the BRLM, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut- off Price. |
| Demographic Details | The demographic details of the Bidders such as their Address, PAN, Occupation and Bank Account details and UPI ID wherever applicable. |
| Depository / Depositories | A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996 |
| Depository Participant / DP | A depository participant as defined under the Depositories Act |
| Designated CDP Locations | Such locations of the CDPs where Bidders can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange (www.bseindia.com) |
| Designated Date | The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue. |
| Designated Intermediaries / Collecting Agent | In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. |
| Designated Market Maker / Market Maker | In our case, Gretex Share Broking Private Limited having its registered office at Office No. 13, 1 st Floor, New Bansilal Building, Raja Bahadur Mansion, 9-15, Homi Modi Street, Fort Mumbai – 400023, Maharashtra, India. |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the website of the Stock Exchange (www.bseindia.com). |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/ or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange / Stock Exchange | BSE Limited. |
| Draft Red Herring Prospectus | This Draft Red Herring Prospectus dated February 27, 2023 filed with the BSE Limited in accordance with the SEBI ICDR Regulations |
| DP | Depository Participant |
| DP ID | Depository Participant's Identity number |
| Eligible NRI | NRI eligible to invest under the FEMA Regulations, from jurisdictions outside India where it is not unlawful to make an application or invitation to participate in the Issue and in relation to whom the Application Form and the Prospectus will constitute an |

| Term | Description |
|--|---|
| | invitation to subscribe for Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants. |
| Escrow Account(s) | The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid. |
| Escrow and Sponsor Bank Agreement | Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, the Registrar, the Banker to the Issue and Sponsor bank to receive monies from the Bidders through the SCSBs Bank Account on the Designated Date in the Public Issue Account. |
| 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 | Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names. |
| Fresh Issue | Fresh Issue of upto 19,08,000 Equity Shares of face value ₹ 10.00 each of Comrade Appliances Limited for cash at a price of ₹ [●] per Equity Shares (including premium of ₹ [●] per Equity Shares) aggregating ₹ [●] Lakhs, by our Company. |
| Floor Price | The lower end of the Price Band, subject to any revision(s) thereto, 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. |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 |
| General Corporate Purposes | Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document. |
| General Information Document | The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) page October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, issued by SEBI. The General Information Document is available on the websites of the Stock Exchanges and the LM. |
| Issue / Public Issue / Issue size / Initial Public Offer / Initial Public Offering / IPO / Present Issue | Public Issue of upto 19,08,000 Equity Shares of face value ₹ 10.00 each of Comrade Appliances Limited for cash at a price of ₹ [●] per Equity Shares (including premium of ₹ [●] per Equity Shares) aggregating ₹ [●] Lakhs, by our Company. |
| Issue Agreement | The Agreement dated January 28, 2023, entered into between our Company and the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |

| Term | Description |
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| Issue Closing Date | The date on which the Issue closes for subscription |
| Issue Opening Date | The date on which the Issue opens for subscription |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which prospective Bidders can submit their applications, including any revisions thereof. |
| Issue Price | The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price, in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus |
| Issue Proceeds | The proceeds of the Issue as stipulated by the Company. For further information about use of the Issue Proceeds please see the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 79 of this Draft Red Herring Prospectus. |
| Book Running Lead Manager / BRLM | The Book Running Lead Manager to the Issue, in this case being GreteX Corporate Services Limited. |
| Listing Agreement | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the BSE Limited. |
| Lot Size | The Market lot and Trading lot for the Equity Share is [●] and in multiples of [●] thereafter; subject to a minimum allotment of [●] Equity Shares to the successful bidders. |
| Market Making Agreement | Market Making Agreement dated January 28, 2023 between our Company, the Book Running Lead Manager and Market Maker. |
| Market Maker Reservation Portion | Upto 96,000 Equity Shares of ₹ 10.00 each at ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh reserved for subscription by the Market Maker. |
| Mobile App(s) | The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism |
| Minimum Promoters' Contribution | Aggregate of 20% of the fully diluted Post- Issue Equity Share capital of our Company held by our Promoters which shall be provided towards minimum promoters of 20% and locked-in for a period of three years from the date of Allotment. |
| Mutual Fund | A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended. |
| Net Issue | The Issue excluding the Market Maker Reservation Portion of upto 18,12,000 Equity Shares of face value of ₹ 10.00 each fully paid up for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating ₹ [●] Lakh by our Company. |
| Net Proceeds | Proceeds of the Issue that will be available to our Company, which shall be the gross proceeds of the Issue less the Issue expenses. |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors. |
| Non-Institutional Investors / NIIs | All Bidders, including Category III FPIs that are not QIBs or Retail Individual Investors who have made Application for Equity Shares for an amount of more than ₹ 2.00 Lakh (but not including NRIs other than Eligible NRIs) |
| Non-Resident | A person resident outside India, as defined under FEMA Regulations |
| Non-Resident Indian / NRI | A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended |
| OCB / Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. 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 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 |

| Term | Description |
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| | constituted and / or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Price Band | Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date. |
| Prospectus | The Prospectus to be filed with the RoC in accordance with the provisions of Section 26 & 32 of the Companies Act, 2013. |
| Public Issue Account | The account to be opened with the Banker to the Issue under Section 40 of the Companies Act, 2013 to receive monies from the ASBA Accounts on the Designated Date. |
| Qualified Institutional Buyers or QIBs | A qualified institutional buyer as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations, 2018. |
| QIB Category/ QIB Portion | The portion of the Net Issue (including the Anchor Investor Portion) being [●] not more than 50% of the Net Issue, consisting of [●] Equity Shares aggregating to ₹[●] lakhs which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Issue Price (for Anchor Investors). |
| Red Herring Prospectus / RHP | The Red Herring Prospectus to be issued in accordance with Section 26 & 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 Bank/ Refund Banker | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being [●]. |
| Refund Account | Account to which Application monies to be refunded to the Bidders. |
| Registered Brokers | Stockbrokers registered with the stock exchanges having nationwide terminals. |
| Registrar Agreement | The Agreement between the Registrar to the Issue and the Issuer Company dated January 28, 2023 in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Registrar to the Issue | Registrar to the Issue being Bigshare Services Private Limited. |
| Retail Individual Investors / RIIs | Bidders (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Issue is not more than ₹ 2.00 Lakh. |
| Revision Form | Form used by the Bidders to modify the quantity of the Equity Shares or the Bidder Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Applicants and Non-Institutional Applicants are not allowed to withdraw or lower their Applications (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date. |
| Securities laws | Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board. |
| SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time. |
| SME Exchange | SME Platform of the BSE i.e. BSE SME. |
| Specified Locations | Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time. |
| Sponsor Bank | The Banker to the Issue registered with SEBI which is appointed by the issuer to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIIs into the UPI, the Sponsor Bank in this case being [●] |

| Term | Description |
|---|--|
| Sub Syndicate Member | A SEBI Registered member of BSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue. |
| Syndicate | Includes the BRLM, Syndicate Members and Sub Syndicate Members |
| Syndicate Agreement | The agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue. |
| Syndicate ASBA Bidding Locations | Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi |
| Syndicate Members/ Members of the Syndicate | Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●]. |
| Transaction Registration Slip/ TRS | The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Bidder as proof of registration of the Application. |
| Underwriters | Gretex Corporate Services Limited and Gretex Share Broking Private Limited shall act as an Underwriters to the Issue. |
| Underwriting Agreement | The agreement dated January 28, 2023 entered into between the Underwriters, our Company and the Book Running Lead Manager. |
| UPI | Unified Payments Interface (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 persons bank accounts using a payment address which uniquely identifies a person's bank a/c. |
| UPI Circulars | SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, and any subsequent circulars or notifications issued by SEBI in this regard. |
| UP 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 application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Application 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 Application in the Issue in accordance with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018 read with SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019. |
| UPI PIN | Password to authenticate UPI transaction |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| Working Days | All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid / Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid / Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI. |

CONVENTIONAL AND GENERAL TERMS

| Term | Description |
|--|---|
| AIF(s) | Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations |
| Air Act | The Air (Prevention and Control of Pollution) Act, 1981 |
| ASBA | Applications Supported by Blocked Amount |
| Authorized Dealers | Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000 |
| Category I Foreign Portfolio Investor(s) | FPIs registered as Category I Foreign Portfolio Investors under the SEBI FPI Regulations. |
| Category II Foreign Portfolio Investor(s) | An FPI registered as a Category II Foreign Portfolio Investor under the SEBI FPI Regulations |
| Category III Foreign Portfolio Investor(s) | FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices |
| CGST | Central GST |
| COPRA | The Consumer Protection Act, 1986 |
| Companies Act | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder |
| Companies Act 2013 | Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder |
| Consolidated FDI Policy | The current consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time |
| Contract Act | The Indian Contract Act, 1872 |
| CSR | Corporate Social Responsibility |
| Depositories Act | The Depositories Act, 1996 |
| Depository | A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI |
| DP | Depository Participant |
| DP ID | Depository Participant's identity number |
| DTC | Direct Tax Code, 2013 |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortization |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| Electricity Act | The Electricity Act, 2003 |
| Environment Protection Act | The Environment (Protection) Act, 1986 |
| EPA | The Environment Protection Act, 1986 |
| EPF Act | The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings per share |
| e-RUPI | Prime Minister Narendra Modi launched a contactless, prepaid, electronic prepaid system |
| ER Act | The Equal Remuneration Act, 1976 |
| ESI Act | The Employees' State Insurance Act, 1948 |
| FICCI | The Federation of Indian Chambers of Commerce & Industry |
| FCNR Account | Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA |
| FDI | Foreign direct investment |
| FEMA | The Foreign Exchange Management Act, 1999 read with rules and regulations there under |
| FEMA 2000 | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 |
| FII(s) | Foreign Institutional Investors as defined under SEBI FPI Regulations |

| Term | Description |
|------------------------------------|--|
| Financial Year / Fiscal Year / FY | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year |
| FIPB | Foreign Investment Promotion Board |
| Foreign Portfolio Investor or FPIs | A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India. |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| GAAP | Generally Accepted Accounting Principles |
| GIR Number | General Index Registry Number |
| GoI / Government | Government of India |
| Gratuity Act | The Payment of Gratuity Act, 1972 |
| GST Act | The Central Goods and Services Tax Act, 2017 |
| Hazardous Wastes Rules | Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008 |
| ICAI | The Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| ID Act | The Industrial Disputes Act, 1947 |
| IDRA | The Industrial (Development and Regulation) Act, 1951 |
| IE Act | The Indian Easements Act, 1882 |
| IEM | Industrial Entrepreneurs Memorandum |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| IGST | Integrated GST |
| IT Act | Income Tax Act, 1961 |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| INR or Rupee or ₹ or Rs. | Indian Rupee, the official currency of the Republic of India |
| Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. |
| IPO | Initial Public Offering |
| ISIN | International Securities Identification Number |
| KMP | Key Managerial Personnel |
| Ltd. | Limited |
| Maternity Benefit Act | Maternity Benefit Act, 1961 |
| M. A | Master of Arts |
| M.B.A | Master of Business Administration |
| MCA | The Ministry of Corporate Affairs, GoI |
| M.Com | Master of Commerce |
| MCI | Ministry of Commerce and Industry, GoI |
| Mill & Fill | Removing the existing surface layer with a milling machine and then transporting the material to a storage facility |
| MSME | Micro, Small and Medium Enterprise |
| MSMED Act | The Micro, Small and Medium Enterprises Development Act, 2006 |
| MWA | Minimum Wages Act, 1948 |
| MoEF | Ministry of Environment and Forests |
| MoF | Ministry of Finance, Government of India |
| MOU | Memorandum of Understanding |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| NI Act | The Negotiable Instruments Act, 1881 |
| Noise Regulation Rules | The Noise Pollution (Regulation & Control) Rules 2000 |
| Notified Sections | The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect |
| NPV | Net Present Value |
| NR / Non-resident | A person resident outside India, as defined under the FEMA and includes a Non-resident Indian |
| NRE Account | Non-Resident External Account established and operated in accordance with the FEMA |
| NRIs | Non-Resident Indians |
| NRO Account | Non-Resident Ordinary Account established and operated in accordance with the FEMA |

| Term | Description |
|--------------------------------|---|
| NSDL | National Securities Depository Limited |
| OCB | Overseas Corporate Bodies |
| Pcs | Pieces |
| P/E Ratio | Price / Earnings Ratio |
| PAN | Permanent account number |
| Petroleum Act | Petroleum Act, 1934 |
| Petroleum Rules | Petroleum Rules, 1976 |
| PAT | Profit after Tax |
| PIL | Public Interest Litigation |
| POB Act | Payment of Bonus Act, 1965 |
| PPP | Public Private Partnership |
| Public Liability Act / PLI Act | The Public Liability Insurance Act, 1991 |
| Pvt. / (P) | Private |
| PWD | Public Works Department of state governments |
| QFI(s) | Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations |
| QIC | Quarterly Income Certificate |
| RBI | The Reserve Bank of India |
| R&D | Research & Development |
| Registration Act | The Indian Registration Act, 1908 |
| RoC or Registrar of Companies | The Registrar of Companies |
| ROE | Return on Equity |
| RONW | Return on Net Worth |
| RTGS | Real Time Gross Settlement |
| Rule 144A | Rule 144A under the U.S. Securities Act, 1933 |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time. |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI (ICDR) Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time |
| SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternate Investment Funds) Regulations, 2012 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| Sec. | Section |
| SGST | State GST |
| SHWW / SHWW Act | The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985 |
| SME | Small and Medium Enterprise |
| STT | Securities Transaction Tax |
| SEBI Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time. |
| TM Act | The Trademarks Act, 1999 |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| U.S. Securities Act | The United States Securities Act, 1933 |
| US\$ or USD or US Dollars | United States Dollar, the official currency of the United States of America |
| USA or U.S. or US | United States of America |
| VAT | Value Added Tax |
| Wages Act | Payment of Wages Act, 1936 |
| Water Act | The Water (Prevention and Control of Pollution) Act, 1974 |
| WCA | The Workmen's Compensation Act, 1923 |
| Wilful Defaulter | A wilful defaulter, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations, 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, |

| Term | Description |
|------|---|
| | 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India |

TECHNICAL / INDUSTRY RELATED TERMS

| Term | Full Form |
|-------|---|
| AAT | Advance Automotive Technology |
| ACE | Indian appliance and consumer electronics |
| CAGR | Compounded Annual Growth Rate |
| CC | Commencement Certificate |
| DA | Development Agreement |
| FSI | It is the ratio of the Internal Floor Area and Saleable Area. |
| GDP | Gross Domestic Product |
| GFC | Global financial Crises |
| IOA | Intimation of Approval |
| M&M | Mergers and Acquisitions |
| ODM | Original Design Manufacturer |
| OEM | Original Equipment Manufacturer |
| R & D | Research and Development |
| RO | Reverse Osmosis |

ABBREVIATIONS

| Abbreviation | Full Form |
|--------------|---|
| AS | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| A/c | Account |
| AGM | Annual General Meeting |
| ASBA | Applications Supported by Blocked Amount |
| Amt | Amount |
| AIF | Alternative Investment Funds |
| 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 (formerly known as the Bombay Stock Exchange Limited) |
| BSE SENSEX | Sensex in an index; market indicator of the position of stock that is listed in the BSE |
| BSE SME | SME Platform of BSE Limited |
| CDSL | Central Depository Services (India) Limited |
| CAGR | Compounded Annual Growth Rate |
| CAN | Confirmation of Allocation Note |
| CA | Chartered Accountant |
| CB | Controlling Branch |
| CC | Cash Credit |
| CCI | The Competition Commission of India |
| CFO | Chief Financial Officer |
| CGST | Central GST |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| CS | Company Secretary |
| CSR | Corporate social responsibility. |

| | |
|----------------------------------|--|
| CS & CO | Company Secretary & Compliance Officer |
| CENVAT | Central Value Added Tax |
| CST | Central Sales Tax |
| CWA / ICWA | Cost and Works Accountant |
| CMD | Chairman and Managing Director |
| Depository or Depositories | NSDL and CDSL. |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion |
| 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 |
| FEMA | Foreign Exchange Management Act |
| FCNR Account | Foreign Currency Non-Resident Account |
| FBT | Fringe Benefit Tax |
| FDI | Foreign Direct Investment |
| FIs | Financial Institutions |
| FIIIs | Foreign Institutional Investors |
| FPIs | Foreign Portfolio Investor |
| FTA | Foreign Trade Agreement. |
| FVCI | Foreign Venture Capital Investors |
| 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 |
| HUF | Hindu Undivided Family |
| ICAI | The Institute of Chartered Accountants of India |
| ICAI (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 |
| HNI | High Net Worth Individual |
| 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 |
| LM | Lead Manager |
| Ltd. | Limited |
| MAT | Minimum Alternate Tax |
| 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 |
| MRP | Maximum Retail Price |
| 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 |
| NRIs | 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 |
| 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 |
| TAN | Tax Deduction Account Number |
| 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 Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |
| VAT | Value Added Tax |
| w.e.f. | With effect from |
| YoY | Year over Year |

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

In this Draft Red Herring Prospectus, the terms “We”, “Us”, “Our”, the “Company”, “Our Company” and “Comrade”, “CAL”, unless the context otherwise indicates or implies, refers to Comrade Appliances Limited.

CERTAIN CONVENTION

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India. In this Draft Red Herring Prospectus, our Company has presented numerical information in “lakhs” units. One lakh represents 1,00,000.

FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Audited Restated Financial Statements for the stub period ended on August 31, 2022 and Financial Year ended on March 31, 2022; 2021 and 2020; prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI and the Indian GAAP which are included in this Draft Red Herring Prospectus, and set out in “*Financial Statements as Restated*” on page 149 of this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the two decimal place and all percentage figures have been rounded off to two decimal places and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

There are significant differences between Indian GAAP and IND (AS). Accordingly, the degree to which the Restated 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 practices. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, IND (AS), the Companies Act and the SEBI (ICDR) Regulations, on the Restated Financial Statements presented in this Draft Red Herring Prospectus should accordingly be limited. Although we have included a summary of qualitative and quantitative differences between Indian GAAP and IND (AS), our financial statements reported under IND (AS) in future accounting periods may not be directly comparable with our financial statements historically prepared in accordance with Indian GAAP, including disclosed in this Draft Red Herring Prospectus. You should consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” and elsewhere in this 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 Statutory Auditor, set out in the section titled ‘*Financial Statements as Restated*’ beginning on page 149 of this Draft Red Herring Prospectus.

CURRENCY AND UNITS OF PRESENTATION

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to

- a) ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India;
- b) ‘US Dollars’ or ‘US \$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America.

All references to the word ‘Lakh’ or ‘Lakhs’, ‘Lac’ or ‘Lacs’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten lakh’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One Thousand Million’.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated based on our financial statements as restated prepared in accordance with Indian GAAP.

DEFINITIONS

For definitions, please see the Chapter titled ***“Definitions and Abbreviations”*** on page no. 3 of this Draft Red Herring Prospectus. In the Section titled ***“Main Provisions of Articles of Association”*** beginning on page no. 230 of this Draft Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from Internal Company reports and industry and Government publications, publicly available information and sources. Industry and Government publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified either by the Company or the Book Running Lead Manager or any of their respective affiliates or advisors.

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

In accordance with the SEBI (ICDR) Regulations, ***“Basis for Issue Price”*** on page no. 84 of this Draft Red Herring Prospectus includes information relating to our peer group entities. Such information has been derived from publicly available sources, and neither we, nor the BRLM have independently verified such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in ***“Risk Factors”*** on page no. 26 of this Draft Red Herring Prospectus.

FORWARD LOOKING STATEMENTS

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

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

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

- Impact of the COVID-19 pandemic on our business and operations;
- Significant increases in prices of, or shortages of, or disruption in supply of labor, materials, etc.;
- Our ability to attract, retain and manage qualified personnel;
- General economic and business conditions in India and other Countries;
- Effect of lack of infrastructure facilities on our business;
- Our ability to successfully implement our growth strategy and expansion plans, technological changes;
- Changes in fiscal, economic or political conditions in India;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Any adverse outcome in the legal proceedings in which we are involved;
- The occurrence of natural disasters or calamities;
- Failure to adapt to the changing scenarios in our industry of operation may adversely affect our business and financial condition;
- Failure to obtain any approvals, licenses, registrations and permits in a timely manner;
- Conflict of Interest with group companies, the promoter group and other related parties
- Changes in the value of the Rupee and other currencies;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussions of factors that could cause our actual results to differ, please see the section titled “**Risk Factors**”, chapters titled “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 26, 99 and 150 of this Draft Red Herring Prospectus, respectively.

Neither our Company, our Directors, our Promoters, the Book Running Lead Manager 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 will ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus until this time of the grant of listing and trading permission by the Stock Exchange.

SECTION II: SUMMARY OF ISSUE DOCUMENT

OVERVIEW OF INDUSTRY

CONSUMER DURABLES INDUSTRY

The Indian consumer durables market is broadly segregated into urban and rural markets and is attracting marketers from across the world. The sector comprises of a huge middle class, relatively large affluent class and a small economically disadvantaged class. The sector includes consumer electricals such as fans, kitchen and cooking appliances, lighting devices, as well as white goods such as washing machines, televisions, refrigerators, and air conditioners.

Market share in the consumer durables industry is moving from the unorganised to the organised sector. According to estimates, 30% of the total market is still unorganised, which provides listed Indian players with a significant opportunity to further increase their market share going forward. Artificial intelligence and manufacturing automation will be important future trends as consumer awareness increases regarding technology advancements and their applications across multiple sectors. In order to increase production efficiency of various consumer durables, Industry 4.0 will stimulate investments in R&D, technology infrastructure, and manufacturing processes.

Global corporations view India as one of the key markets from where future growth is likely to emerge. The growth in India's consumer market would be primarily driven by a favorable population composition and increasing disposable income. Indian appliances and consumer electronics industry stood at US\$ 9.84 billion in 2021, and is expected to more than double to reach Rs. 1.48 lakh crore (US\$ 21.18 billion) by 2025. Electronics hardware production in the country stood at US\$ 63.39 billion in 2021.

In FY21, the television production in India stood at US\$ 4.24 billion. The total active DTH subscriber base stood at 67.04 million in June 2022. As of 2021, the refrigerator, washing machines and air conditioner market in India were estimated at around US\$ 3.82 billion, US\$ 8.43 billion and US\$ 3.84 billion, respectively. The market size of air conditioners is expected to grow to 165 lakh units by 2025 from 65 lakh units in 2019, while refrigerators' market size is expected to grow to 275 lakh units by 2025 from 145 lakh units in 2019.

India's smartphone shipments witnessed YoY growth of 11% in 2021, with 169 million units shipped. India's smartphone market revenue crossed US\$ 38 billion in 2021 with a 27% YoY growth, with the leader being Xiaomi with a 24% shipment share.

OVERVIEW OF BUSINESS

Our Company is engaged in the process of manufacturing an extensive array of Air Coolers and Electric Geysers. Our Company is Original Equipment Manufacturers (OEMs) of Air Coolers and Electric Geysers in India. Designed by the use of quality resources, our product range is appreciated by our customers owing to their lightweight, easy to use, customized size, reasonable price and long-term durability. We manufacture consumer durable goods and assemble a wide array of products and provide end-to-end product solutions. We serve under both original equipment manufacturer ("OEM") and original design manufacturer ("ODM") business models. Under the OEM model, we manufacture and supply products basis designs developed by our customers, who then further distribute these products under their own brands. Under the ODM model, in addition to manufacturing, we conceptualize and design the products which are then marketed to our customers' prospective customers under their brands. Our current product portfolio of consumer goods includes (i) Air Coolers; (ii) Electric Geysers. We offer innovative solutions to our customers, which include leading international and national consumer brands. Our comprehensive solution suite includes global sourcing, fabrication of components and parts, captive manufacturing and assembly, quality testing, packaging and logistics support, which enables us to partner with leading consumer goods brands in India. Our key customers include leading brands in consumer durables. We have over 5 years of experience in manufacturing sector. Since inception, we have expanded our product portfolio, customer base and gained technological expertise in designing and manufacturing of our products. We have an experienced Board of Directors and management team. Our management, including key managerial personnel have expertise and experience in the consumer goods industry.

We have a manufacturing facility located at Palghar admeasuring 66,322 Sq. Ft, which are strategically located in and around Mumbai (Maharashtra). Our modern and state-of-art manufacturing facilities are equipped with high quality machinery, assembly lines that enable us to meet the quality requirements of our customers in a timely manner. In line with our focus to provide end to-end product solutions and to develop better control on our supply chain and improve our margins. We have developed in-house capabilities in SMT lines, injection moulding, sheet metal components and testing labs. We have equipped our facilities to improve our cost efficiency, reduce dependency on third party suppliers and provide better control on production time and quality of critical components used in the manufacturing of products.

Our Company was originally incorporated on March 22, 2017, as a Private Limited Company as “Comrade Appliances Private Limited” under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Our Company was converted from a Private Limited Company to Public Limited Company pursuant to a Special Resolution passed by our shareholders at the Extra-Ordinary General Meeting held on November 10, 2022 and subsequently the name of our Company was changed to ‘Comrade Appliances Limited’. A Fresh Certificate of Incorporation consequent to Conversion was issued on December 13, 2022 by the Registrar of Companies, Central Registration Centre. The Corporate Identification Number of our Company is U74999MH2017PLC292817.

Our Company has four departments which includes 1) Production Department, 2) Moulding Department, 3) Administration Department 4) Logistics Department.

We work with extreme enthusiasm and assure to accomplish great customer satisfaction by offering a high-quality range of Air coolers and Electric Geysers as per their specific needs. In order to convene the accurate needs of clients in the most flourishing way, we offer our products with standard and customized specifications. Backed by a team of experienced staff, we have been able to meet the precise needs of our clients. Owing to our ethical business policies, high-quality products range and reasonable prices, we have increased the number of our satisfied clients.

OUR PROMOTERS

The Promoters of our company is M/s Troupe Technologies Private Limited, Mr. Khursheed Alam and Mr. Mehboob Alam.

DETAILS OF THE ISSUE

| | |
|---|--|
| Equity Shares Offered ⁽¹⁾ Present Issue of Equity Shares by our Company ⁽²⁾ | Issue of upto 19,08,000 Equity Shares of ₹ 10.00 each for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●]. |
| Out of which: | |
| Market Maker Reservation Portion | Upto 96,000 Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●]. |
| Net Issue to the Public | Upto 18,12,000 Equity Shares of ₹ 10.00 each for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakh. |

OBJECT OF THE ISSUE

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

| | | (₹ in Lakhs) |
|------------------------------|--|--------------|
| Particulars | | Amount |
| Working Capital Requirements | | Upto 800.00 |
| General Corporate Purpose | | [●] |
| Total | | [●] |

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

| Category of Promoter | Pre – Issue | | Post – Issue | |
|----------------------|---------------|----------------------------------|---------------|----------------------------------|
| | No. of Shares | As a % of paid-up Equity Capital | No. of Shares | As a % of paid-up Equity Capital |
| 1. Promoters | 46,82,723 | 89.18 | 46,82,723 | 65.41 |
| 2. Promoter Group | 5,68,062 | 10.82 | 5,68,062 | 7.94 |

SUMMARY OF RESTATED FINANCIAL INFORMATION

| Particulars | (₹ in Lakhs) | | | |
|---------------|------------------------------|---------------------------------|----------------|----------------|
| | For the stub period ended on | For the financial year ended on | | |
| | | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Share Capital | August 31, 2022 | 517.27 | 332.37 | 332.37 |

| | | | | |
|------------------------------------|----------|----------|----------|----------|
| Reserves and surplus | 85.61 | (14.84) | (90.60) | (38.97) |
| Net Worth | 602.88 | 502.43 | 241.77 | 293.40 |
| Total Income | 1,559.15 | 2,973.28 | 2,603.85 | 2,162.29 |
| Profit after Tax | 100.45 | 38.77 | 20.21 | 41.80 |
| Total Borrowings | 1,080.74 | 1,113.79 | 1,412.38 | 400.93 |
| Other Financial Information | | | | |
| Basic & Diluted EPS (₹) | 1.94 | 0.99 | 0.61 | 1.37 |
| Return on Net worth (%) | 16.66% | 7.72% | 8.36% | 14.25% |
| Net Asset Value Per Share (₹) | 11.65 | 12.78 | 7.27 | 9.58 |
| | | | | |

QUALIFICATION OF THE AUDITORS

The Auditors' Report of Audited Restated Financial Statements for the stub period ended on August 31, 2022 and Financial Years ended on March 31, 2022, 2021 and 2020 does not contain any qualification which have not been given effect to in Restated Financial Statements.

SUMMARY OF OUTSTANDING LITIGATION ARE AS FOLLOWS

| (₹ in Lakhs) | | |
|---------------------------------------|-----------------|-----------------|
| Nature of Cases | Number of Cases | Amount Involved |
| Company | | |
| Direct Tax | | |
| Outstanding Demand | 1 | 0.09 |
| TDS | 4 | 4.69 |
| Directors other than Promoters | | |
| Direct Tax | | |
| E- Proceedings | 1 | NA |
| Promoters | | |
| Direct Tax | | |
| Outstanding Demand | 5 | 3.33 |
| E- Proceedings | 1 | NA |
| TDS | 2 | 0.05 |

For the details of litigation proceedings, please refer the chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 170 of this Draft Red Herring Prospectus.

RISK FACTORS

Investors should read chapter titled “*Risk Factors*” beginning on page 26 of this Draft Red Herring Prospectus.

SUMMARY OF CONTINGENT LIABILITIES

Except as stated below, our Company does not have any Contingent Liabilities as on date of this Draft Red Herring Prospectus:

| (₹ in Lakhs) | | |
|--------------|--|--------------|
| Sr. No. | Particulars | Amount |
| 1 | Income Tax demands / Notices before CIT Appeals / TDS / GST Outstanding Demand | 16.79 |
| 2 | Bank Guarantees / Corporate Guarantees | NIL |
| | Total | 16.79 |

For further information, please see “*Financial Statements as Restated*” beginning on page 149 of this Draft Red Herring Prospectus.

SUMMARY OF RELATED PARTY TRANSACTIONS

Our Company has entered into certain transactions with our related parties including our Promoters, Promoter Group, Directors and their relatives as mentioned below:

(₹ in Lakhs)

| Particulars | For the stub period ended on | For the financial year ended on | | |
|-------------------------|------------------------------|---------------------------------|-----------------|----------------|
| | August 31, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Remuneration | 30.99 | 75.88 | 49.48 | 32.58 |
| Interest Paid on Loan | - | 4.38 | 12.56 | 12.45 |
| Rent Paid | 0.40 | 0.90 | 0.90 | 0.90 |
| Loan Taken | - | - | 1.90 | 46.50 |
| Loan Repaid | 24.00 | 4.40 | 37.00 | 8.00 |
| Purchases | - | - | 1,017.32 | 332.08 |
| Sales | - | - | 822.15 | 233.38 |
| Acquisition of Business | - | - | 18.49 | - |
| Total | 55.39 | 85.57 | 1,959.80 | 665.89 |

For details of the Related Party Transactions as reported in the Restated Financials, please refer "**Financial Statements as restated– Related Party Transaction**" beginning on page 149 of this Draft Red Herring Prospectus.

FINANCING ARRANGEMENTS

There are no financing arrangements whereby our Promoters, members of Promoter Group, the Directors of our Company and their relatives and financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of 6 months immediately preceding the date of filing of this Draft Red Herring Prospectus.

WEIGHTED AVERAGE PRICE OF THE EQUITY SHARES ACQUIRED BY OUR PROMOTERS IN THE LAST ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

Our promoters has acquired Equity Shares in the last one (1) year preceding the date of this Draft Red Herring Prospectus, under the bonus issue, thus the weighted average price of equity share is NIL

AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Red Herring Prospectus is:

| Name of the Promoters | Average Cost of Acquisition (₹) |
|---|---------------------------------|
| M/s Troupe Technologies Private Limited | 12.00 |
| Mr. Khursheed Alam | 10.00 |
| Mr. Mehboob Alam | 10.00 |

PRE-IPO PLACEMENT DETAILS

Our Company has not proposed any Pre-IPO Placement in this Issue.

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

Other than as disclosed in "**Capital Structure**" beginning on page 59 of this Draft Red Herring Prospectus, no Equity Shares have been issued by our Company for consideration other than cash as on the date of this Draft Red Herring Prospectus.

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Other than as disclosed in "**Capital Structure**" beginning on page 59 of this Draft Red Herring Prospectus, 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.

SEBI EXEMPTION

Our Company has not applied or received any exemption from complying with any provisions of Securities Law 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. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this Issue including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. Unless otherwise stated, the financial information of our Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations. To obtain a better understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 99 “Our Industry” beginning on page 90 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 150 respectively, of this Draft Red Herring Prospectus as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

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

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian GAAP, as restated in this Draft Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 3 of this Draft Red Herring Prospectus. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

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

INTERNAL RISKS

BUSINESS RELATED RISK

1. *There are outstanding legal proceedings involving our Company, Promoters, Directors and Group Companies. Any adverse decision in such proceeding 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 civil and other proceedings involving our Company, Promoters and Directors are provided below:

(₹ in Lakh)

| Nature of Cases | Number of Cases | Amount Involved |
|---------------------------------------|-----------------|-----------------|
| Company | | |
| Direct Tax | | |
| Outstanding Demand | 1 | 0.09 |
| TDS | 4 | 4.69 |
| Directors other than Promoters | | |
| Direct Tax | | |
| E- Proceedings | 1 | NA |
| Promoters | | |
| Direct Tax | | |
| Outstanding Demand | 5 | 3.33 |
| E- Proceedings | 1 | NA |
| TDS | 2 | 0.05 |

For further details, please see the section **“Outstanding Litigation and Material Developments”** beginning on page No. 170 of this Draft Red Herring Prospectus.

- 2. Our business experiences an increase in sales during the summer seasons. And our major revenue comes from Air coolers. Any substantial decrease in our sales during such periods and our inability cope up with our service during this time, then our revenues and profitability will be affected and have a negative effect on our image and brand.**

Our company is engaged in the business of manufacturing of Air coolers and Electric Geysers. Our maximum revenue comes from our air cooler business. Our air cooler business experience significant increase in our sales during the summer seasons i.e. from March to June every year. Although our Electric Geysers is a product which has a sale all around the year but our company is still dependent on sales of air cooler as it is the established business. Our company has suffered the most in the Covid period. The lockdown started in the month of March 2020, it was a peak season and our company had suffered a push back in our sales. Hence our company is significantly depended on our sales of air cooler, which is a seasonal product. If our company doesn't add more product which aren't seasonal the company can restrict its growth. And any significant shortfall in sales or our inability to cope up with the growing demands during this period during these periods, would affect our profitability and we would experience adverse effect on our results of operations

- 3. Our Registered Office and our Factory are not owned by us. The same are occupied by us on a lease basis. Disruption of our rights as lessee or termination of the agreements with our lessor would adversely impact our operations and, consequently, our business.**

Our Registered Office premise situated at Shop No.39, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West, Mumbai- 400102, Maharashtra, India and is not owned by us, it is taken on sublease and rental basis for a period of 36 months commencing from April 01, 2020 and ending on March 31, 2023. Our Company has been occupying the factory located at Palghar district, Maharashtra on lease basis through a lease deed dated entered into by our Company with for a period of 60 months commencing from October 01, 2020 and ending on September 30, 2025. We cannot assure you that we will be able to continue the above arrangement on commercially acceptable / favourable terms in future. If we are required to vacate the current premises, we would be required to make alternative arrangements for new office and other infrastructure, and we cannot assure that the new arrangements will be on commercially acceptable / favourable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay higher charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

- 4. Under-utilization of our manufacturing capacities of Air Cooler and Electric Geysers could have an adverse effect on our business, future prospects and future financial performance.**

As on date of the Draft Red Herring Prospectus, we own and operate one manufacturing facility at Palghar, Maharashtra with an aggregate installed capacity of 2,39,000 quantity for manufacturing of Air Cooler and Electric Geysers. Our capacity utilization levels are dependent on our ability to carry out uninterrupted operations at manufacturing facility, the market for our products, the availability of raw materials, industry/ market conditions, as well as by the product requirements of, and procurement practice followed by, our customers. In the event we are unable to expand our customer base for ductile iron pipe fittings or are unable to deliver requisite standards of products, our product line catering to ductile iron pipe fittings may face disruptions. Further if we face prolonged disruptions at our facilities including due to interruptions in the supply of electricity or as a result of labour unrest, or are unable to procure sufficient raw materials, we would not be able to achieve full capacity utilization of our current manufacturing facility, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

In Fiscals 2020, 2021 and 2022, our overall capacity utilization for manufacturing ductile iron pipe fittings were approximately 17.72%, 14.36% and 10.04% respectively. For further information, see **“Our Business – Capacity and Capacity Utilization”** on page 99 of this Draft Red Herring Prospectus. These rates are not indicative of future capacity utilization which is dependent on various factors, including demand for our products, availability of raw materials, our ability to manage our inventory and improve operational efficiency. Under-utilization of our manufacturing capacities over extended periods, or significant under-utilization in the short-term, could materially and adversely impact our business, growth prospects and future financial performance.

- 5. *If our customers do not continue to outsource manufacturing, or if there is a downward trend in consumer durable good business, our sales could be adversely affected.***

Our Company is Original Equipment Manufacturers (OEMs) of Air Coolers and Electric Geysers in India. In recent years, consumer companies/brands have increasingly outsourced the manufacturing of their products to OEM players like us. However, there can be no assurance that they will continue to do so in the future. A customer’s decision to outsource is affected by its ability and capacity for internal manufacturing and the competitive advantages of outsourcing. Our sales to our customers are also dependent on their business position and financial health. There can be no assurance that our customers will continue to outsource or increase the share of outsourcing. If the brands do not continue to outsource the manufacturing of their products or reduce the amount of manufacturing outsourced by them or if our customers decide to perform these functions internally or use other providers of these services, our future growth could be limited and our sales and operating results may suffer

- 6. *We may be unable to respond to changes in consumer demands and market trends in a timely manner.***

Our success depends on our ability to identify, originate and define product and market trends, as well as to anticipate, gauge and react to rapidly changing consumer demands in a timely manner. Our OEM products must also appeal to a broad range of customers whose preferences may vary. We cannot assure you that the demand for our products with end-consumers will continue to grow or that we will be able to continue to develop appealing styles or meet rapidly changing consumer demands in the future. If we misjudge the market or fail to anticipate a shift in consumer preferences, we may be faced with a reduction in revenues. Any inability to respond to changes in consumer demands and market trends in a timely manner could have a material adverse effect on our business, financial condition and results of operations.

- 7. *We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.***

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, meet the customer standards which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products or any other unforeseen events could affect our reputation and our results from operations.

- 8. *Our Promoters plays a key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that our promoters remain associated with us.***

We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and is closely involved in the overall strategy, direction and management of our business. Our Promoters have been actively involved in the day-to-day operations and management. Accordingly, our performance is heavily dependent upon the services of our Promoters. If our Promoters are unable or unwilling to continue in his present position, we may not be able to replace them easily or at all. Our Promoters, have over the years-built relations with various customers and other persons who are form part of our stakeholders and are connected with us. The loss of their services could impair our ability to implement our strategy, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

- 9. *We require a number of approvals, NOCs, licenses, registrations and permits in the ordinary course of our business. Some of the approvals are required to be obtained by our Company and any failure or delay in obtaining the same in a timely manner may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Presently, we have applied for updating licenses and approvals in the name of “Comrade Appliances Limited” from “Comrade Appliances Private Limited”. Also, we have applied to the Maharashtra Pollution Control Board (MPCB) seeking their Consent to Establish vide Application Number MPCB-CONSENT-0000149187, dated September 26, 2022 and have applied for a Class 11 Trade Mark on February 1, 2023 vide Temporary Reference Number 8223482. Non-obtaining or non-renewal of the said

permits and licenses would adversely affect our Company's operations, thereby having a material adverse effect on our business, results of operations and financial condition. Further we require to keep already obtained valid key approvals such as Tax Registrations, Shops and Establishment Act License, for running our operations in a smooth manner. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Some of our permits, licenses and approvals are subject to several conditions and we cannot provide any assurance that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities, which may lead to the cancellation, revocation or suspension of relevant permits, licenses or approvals. Any failure by us to apply in time, to renew, maintain or obtain the required permits, licenses or approvals, or the cancellation, suspension or revocation of any of the permits, licenses or approvals may result in the interruption of our operations and may have a material adverse effect on the business. For further details, please see chapters titled "**Key Industry Regulations and Policies**" and "**Government and Other Statutory Approvals**" at pages 99 and 174 respectively of this Draft Red Herring Prospectus.

10. If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business it may have an adverse effect on our business.

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained all permits and licenses which are adequate to run our business, we cannot assure that there is no other statutory / regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business. For further details, see section on "**Government and Other Approvals**" beginning on page 174 of this Draft Red Herring Prospectus.

11. Our inability to obtain no objections from our lenders for the Issue, in a timely manner or at all could adversely affect raising of funds.

Our Company is required to obtain prior no objections from lender banks and Institution pursuant to restrictive covenants contained in the loan documents. Our Company have made application for no-objection / consents from the all the lenders and has yet to obtained their consent. Our inability to obtain such no objection certificate in a timely manner or at all, may adversely affect timely raising of funds.

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

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

Cancellation by customers or delay or reduction in their orders or instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future. Additionally, our customers have high and stringent standards for product quality and quantity as well as delivery schedules. Any failure to meet our customers' expectations could result in the cancellation or non-renewal of contracts or purchase orders. There are also a number of factors, other than our performance that could cause the loss of a customer. Customers may demand price reductions, set-off any payment obligations, require indemnification for themselves or their affiliates, or replace their existing products with alternative products, any of which may have an adverse effect on our business, financial condition, results of operations and future prospects.

13. The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted.

The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted. In late calendar 2019, COVID-19, commonly known as “novel coronavirus” was first reported in Wuhan, China. Since then, the virus has progressively spread globally too many countries. The World Health Organization declared the COVID-19 outbreak as a health emergency of international concern on January 30, 2020 and thereafter categorised the outbreak as a pandemic on March 11, 2020. In order to contain the spread of COVID-19 virus, the Government of India initially announced a 21-day lockdown on March 24, 2020, which, after being subject to successive extensions, is being relaxed currently. During the duration of the lockdown, there were several restrictions in place including travel restrictions and directive to all citizens to not move out of their respective houses unless essential. Whilst the lockdown required private, commercial and industrial establishments to remain closed, subsequently manufacturing units of essential commodities were permitted to be functional. The team members have been working from home during lockdown and have been able to execute their responsibilities and service clients without any disruption, difficulty or delay. Due to the rising number of infected cases of COVID-19 in the country, there is no certainty if additional restrictions will be put back in place or if another lockdown would be re-imposed to control the spread of the pandemic. We cannot assure you that we may not face any difficulty in our operations due to such restrictions and such a prolonged instance of lockdown may adversely affect our business, financial condition and results of operations. Further, our ability to ensure the safety of our workforce and continuity of operations while confirming with measures implemented by the central and state governments in relation to the health and safety of our employees may result in increased costs. In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees contract COVID-19, we may be required to quarantine our employees and shut down a part of or the entire operating facility as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of our facility, loss of life, injuries and impact the wellbeing of our employees. The ultimate impact will depend on a number of factors, many of which are outside our control. These factors include the duration, severity and scope of the pandemic, the impact of the pandemic on economic activity in India and globally, the eventual level of infections in India, and the impact of any actions taken by governmental bodies or health organisations (whether mandatory or advisory) to combat the spread of the virus. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition. To the extent that the COVID19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

14. General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Our business is highly dependent on economic and market conditions in India and other jurisdictions where we operate. General economic and political conditions in India, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions. Market conditions may change rapidly and the Indian capital markets have experienced significant volatility in the past. The Indian economy has had sustained periods of high inflation in the recent past. If inflation or real interest rates were to rise significantly, the trends towards increased financial savings might slow down or reverse, our employee costs may increase and the sales of many of our products and services may decline.

15. If we are unable to respond to the demands of our existing and new clients, or adapt to technological changes or advances, our business and growth could be adversely affected.

Our industry is characterized by increasingly new and changing business models and rapid technological and regulatory changes. Our clients’ needs and demands for our products evolve with these changes. Our future success will depend, in part, on our ability to respond to our clients’ demands for new products, capabilities and technologies on a timely and cost-effective basis. We also need to adapt to technological advancements and keep pace with changing regulatory standards to address our clients’ increasingly sophisticated requirements. If we fail to adapt or keep pace with new technologies in a timely manner, provide customers with better products and services and user experience, or retain and attract skilled technology staff, it could harm our ability to compete, decrease the value of our products and services to our clients, and adversely affect our business and future growth.

16. Any increase in interest rates would have an adverse effect on our results of operations and will expose our Company to interest rate risks.

We are dependent upon the availability of equity, cash balances and debt financing to fund our operations and growth. Any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in

interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non-fund-based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer chapter titled “**Financial Indebtedness**” beginning on page 150 of this Draft Red Herring Prospectus.

17. Major fraud, lapses of internal control or system failures could adversely impact the company’s business.

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Failure to protect fraud or breach in security may adversely affect our Company’s operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

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

1. On March 19, 2018 allotment of 18,37,500 equity shares were made to Mr. Khursheed Alam, Mr. Shakir Khan and Mr. Mehboob Alam but the details mentioned in the form were 18,47,500 instead of 18,37,500 and equity shares. Inadvertently the Initial Subscription of 10,000 equity shares were mentioned in the said allotment.
2. Further, on August 19, 2019 allotment of 33,23,705 equity shares were made to Mr. Khursheed Alam, Mr. Shakir Khan and Mr. Mehboob Alam instead of 6,88,079 equity shares. The said allotment was shown as allotment made under Private Placement basis instead of Conversion of Loan to Equity Shares in form PAS-3 filed in respect of the allotment.
3. All the annual returns and financial statement submitted with Registrar of Companies contains discrepancy related to attached document and filled information in E-forms.
4. Some Provisions of Section 12 of the Companies Act, 2013.
5. Some attachments which were to be attached in the Forms filed are not attached by the Company. Further, some attachments of the Forms are not signed and stamped by the requisite authority.
6. Incorrect dates, resolution number etc mentioned in some of the Forms.
7. Our company has filed revised annual return in Form MGT-7 for the financial year ended on 2021-2022 due to some discrepancies in the said Form
8. Provisions of SS-1 and SS-2 of the Companies Act, 2013 were not fully complied by the company at the time of preparation of the documents for filling of forms.

Our company had made an application for compounding of error mentioned in point 1 and 2 above, Any penalty or action taken by any regulatory authority in future for non-compliance with provisions of corporate and other law could impact financial position of the company to that extent.

Further no-show cause notice has been issued against our Company till date, in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected. Further we cannot assure that we may not do delay filings in future and not be subjected to penalty or interest.

19. We continue to explore the diversification of our business and the manufacturing of new products. These diversifications and our other strategic initiatives may not be successful, which may adversely affect our business and results of operations.

In order to achieve our goal, we are constantly evaluating the possibilities of expanding our business through new models, innovations and / or starting manufacturing new products. Although we believe that there are synergies between our current business and our expansion plans, we do have experience or expertise in these new areas. These new businesses and modes of delivery and the implementation of our strategic initiatives may pose significant challenges to our administrative, financial and operational resources, and additional risks, including some of which we are not aware of. The early stages and evolving nature of some of our businesses also make it difficult to predict competition and consumer demand therein. Our strategic initiatives require capital and other resources, as well as management attention, which could place a burden on our resources and abilities. In addition, we cannot assure you that we will be successful in implementing

any or all of our key strategic initiatives. If we are unable to successfully implement some or all of our key strategic initiatives in an effective and timely manner, or at all, our ability to maintain and improve our leading market position may be negatively impacted, which may have an adverse effect on our business and prospects, competitiveness, market position, brand name, financial condition and results of operations.

20. We face intense competition in our businesses, which may limit our growth and prospects. Our Company faces significant competition from other companies in OEM Manufacturing of Air Cooler and Electric Geysers.

We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

21. Orders placed by customers may be delayed, modified or cancelled, which may have an adverse effect on our business, financial condition and results of operations.

We may encounter problems in executing the orders in relation to our products, or executing it on a timely basis. Moreover, factors beyond our control or the control of our customers may postpone the delivery of such products or cause its cancellation. Due to the possibility of cancellations or changes in scope and schedule of delivery of such products, resulting from our customers discretion or problems we encounter in the delivery of such products or reasons outside our control or the control of our customers, we cannot predict with certainty when, if or to what extent we may be able to deliver the orders placed. Additionally, delays in the delivery of such products can lead to customers delaying or refusing to pay the amount, in part or full, that we expect to be paid in respect of such products. In addition, even where a delivery proceeds as scheduled, it is possible that the customers may default or otherwise fail to pay amounts owed.

22. Further any defaults or delays in payment by a significant portion of our customers, may have an adverse effect on cash flows, results of operations and financial condition.

In the ordinary course of business, we extend credit to our customers. Our results of operations and profitability depend on the credit worthiness of our customers. Certain of these customers may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely fashion, or at all. Any adverse change in the financial condition of our customers may adversely affect their ability to make payments to us. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition. Default or delays in payments by a significant portion of our customers may have an adverse effect on cash flows, results of operations and financial condition.

23. Our inability to manage growth could disrupt our business and reduce our profitability. We propose to expand our business activities in coming financial years.

We expect our future growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges we face in:

- Our ability to acquire and retain clients for our products;
- Services, products or pricing policies introduced by our competitors;
- Capital expenditure and other costs relating to our operations;
- The timing and nature of, and expenses incurred in, our marketing efforts;
- Recruiting, training and retaining sufficient skilled technical and management personnel;

- Adhering to our high quality and process execution standards;
- Maintaining high levels of customer satisfaction;
- Developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems.

You should not rely on yearly comparisons of our results of operations as indicators of future performance. It is possible that in some future periods our results of operations may be below the expectations of public, market analysts and investors. If we are unable to manage our growth it could have an adverse effect on our business, results of operations and financial condition.

24. Our funding requirements and the deployment of Net Proceeds are based on management estimates and have not been independently appraised. Further, our management will have discretion in the application of the Net Proceeds, and there is no assurance that the Objects of the Issue will be achieved within the time frame expected or at all.

We intend to use the Net Proceeds for the purposes described under “**Objects of the Issue**” on page 79. The Objects of the Issue include funding of working Capital Requirements of our company amounting Upto ₹ 800.00 Lakh, and general corporate purposes amounting to ₹ [●] Lakh. Our funding requirements and the deployment of the Net Proceeds are based on management estimates for which we have relied on internal assumptions and such assumptions have not been appraised by any independent agency. The Net Proceeds may be used to repay / prepay such term and / or working capital loans. While we believe that utilization of Net Proceeds for repayment of loans would help us to reduce our cost of debt and enable the utilization of our internal accruals for further investment in business growth and expansion, the repayment of loans will not result in the creation of any tangible assets for our Company. Given the nature of our business and due to various uncertainties involved, we may be unable to utilize the Net Proceeds within the time frame or as per the schedule of deployment that we currently estimate. In the case of increase in actual expenses or shortfall in requisite funds, additional funds for a particular activity will be met by means available to us, including internal accruals and additional equity and / or debt arrangements.

25. Our Company has a negative cash flow in its operating activities in the financial year ending on March 31, 2021, financing activities in Stub period ending on August 31, 2022 and financial year ending on March 31, 2022 and investing activities in the Stub period and past 3 years, details of which are given below. Sustained negative cash flow could impact our growth and business.

Our Company had negative cash flows from our investing activities and financing activities in the previous year(s) as per the Restated Financial Statements and the same are summarized as under:

| (₹ in lakh) | | | | |
|--|--------------------|-------------------|-------------------|-------------------|
| Particulars | August 31, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Net Cash from Operating Activities | 142.99 | 447.77 | (171.31) | 145.36 |
| Net Cash from Investing Activities | (5.70) | (36.57) | (347.06) | (115.94) |
| Net Cash from Financing Activities | (127.05) | (422.57) | 548.95 | (24.09) |
| Net Increase / (Decrease) in Cash & Cash Equivalents | 10.24 | (11.37) | 30.57 | 5.32 |

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 we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations.

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

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

27. *Brand recognition is important to the success of our business, and our inability to build and maintain our brand names will harm our business, financial condition and results of operation.*

Brand recognition is important to the success of our business. Establishing and maintaining our brand name in the industry or for people relying on products is critical to the success of the customer acquisition process of our business. Although, we expect to allocate significant amount of resources, financial and otherwise, on establishing and maintaining our brands, no assurance can be given that our brand names will be effective in attracting and growing user and client base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, financial condition and results of operations.

28. *Significant disruptions in our information technology systems or breaches of data security could adversely affect our business and reputation.*

We may also face cyber threats such as: (i) Phishing and Trojans – targeting our customers, wherein fraudsters send unsolicited codes or mails to our customers seeking account sensitive information or to infect customer machines to search and attempt ex-filtration of account sensitive information; (ii) Hacking – wherein attackers seek to hack into our infrastructure with the primary intention of causing reputational damage to us by disrupting services; (iii) Data theft – This can be internal i.e. by someone who has access to data of our Company or external wherein unconnected cyber criminals may attempt to intrude into our network with the intention of stealing our data or information; and (iv) Advanced persistent threat – a network attack in which an unauthorized person gains access to our network and remains undetected for a long period of time. In the event of a significant decline in the demand for our products, our business, results of operations and financial condition may be materially and adversely affected.

Our systems are potentially vulnerable to data security breaches, whether by our employees, or our service providers or others that may expose sensitive data to unauthorized persons. We process and transfer data, including personal information, financial information and other confidential data provided to us by our clients. Although we maintain systems and procedures to prevent unauthorized access and other security breaches, it is possible that unauthorized individuals could improperly access our systems, or improperly obtain or disclose sensitive data that we process or handle. Data security breaches could lead to the loss of intellectual property or could lead to the public exposure of personal information (including sensitive financial and personal information) of our clients' investors or our employees. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties, which may have an adverse effect on our business and reputation.

29. *The nature of our business exposes us to liability claims and contract disputes and our indemnities may not adequately protect us. Any liability in excess of our reserves or indemnities could result in additional costs, which would reduce our profits.*

Time is often of the essence in our business work. In the event there are delays in our current or future products, we will not be able to get extensions from our customers. Further, in some contracts, in case of delay due to deficiency in products by us, clients may have the right to complete the work at our risk and cost by engaging a third party. In the event we fail to perform under the terms of a particular contract, that could adversely affect our financial conditions and business operations. Failure to effectively cover ourselves against any of these reasons could expose us to substantial costs and potentially lead to material losses. In addition, if there is a customer dispute regarding our performance or workmanship, the customer may delay or withhold payment to us.

30. *Employee fraud or misconduct could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.*

Our business is exposed to the risk of employee misappropriation, fraud or misconduct. Our employees could make improper use or disclose confidential information, which could result in regulatory sanctions and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures, we may be unable to adequately prevent or deter such activities in all cases. Our dependence upon automated systems to record and process transactions may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. While we have not been able to identify such issues in the past, there could be instances of fraud and misconduct by our employees, which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, penalties or other actions in connection with any such unauthorized transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance. We may also be required to make good any monetary loss to the affected party. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

31. The average cost of acquisition of Equity Shares by our Promoters is lower than the issue price.

Our Promoters' average cost of acquisition of Equity Shares in our Company is lower than the Issue Price as 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 chapter title **"Capital Structure"** beginning on page 59 of this Draft Red Herring Prospectus.

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

Our Company has entered into various transactions with our Promoters and associate companies. While we believe that all such transactions are conducted on arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please refer to chapter **"Related Party Transactions"** beginning on page 149 of this Draft Red Herring Prospectus.

33. Our top 5 and top 10 customers contribute major portion of our revenues or the period August 31, 2022. Any loss of business from one or more of them may adversely affect our revenues and profitability.

Our top five and top ten customers contribute to a substantial portion of our revenues for the year ended August 31, 2022. Any decline in our quality standards, growing competition and any change in the demand for our products by these customers may adversely affect our ability to retain them. We believe we have maintained good and long-term relationships with our customers. However, there can be no assurance that we will continue to have such long-term relationship with them, also any delay or default in payment by these customers may adversely affect our business, financial condition and results of operations. 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.

Due to COVID-19 pandemic, there may have been a temporary reduction in demand for our products and there may have been an overall slowdown in the industry. Further, such pandemic situations may also arise in the future and that could materially and adversely affect our business, financial condition and results of operations. Our growth has required and will continue to require increased investments in management personnel and systems, financial systems and controls, and office facilities. However, we cannot assure you that such investments will yield desired results and we may incur costs that we may not be able to recover. We may also be unable to hire additional qualified personnel to support the offering of a wider range of services. If we fail to manage our growth, we may experience operating inefficiencies, dissatisfaction among our client base, and lost revenue opportunities, which may adversely affect our business, results of operations and financial condition. The contribution of our top 5 and top 10 customers to our total revenue are as follows:

| | | |
|------------------|-------------------|---------|
| Customers | Top 5 (%) | 85.23 % |
| | Top 10 (%) | 96.93 % |

34. Our Promoters will continue to retain majority control over the Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.

Upon completion of the Issue, our Promoters will own 65.41% of the Post-Issue Equity Share capital of the Company. As a result, the Promoters and Promoter Group will have the ability to exercise significant influence over all matters requiring shareholders' approval, including the election of directors and approval of significant corporate transactions. The Promoters and Promoter Group will also have an effective veto power with respect to any shareholder action or approval requiring a majority vote. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control. For further details of Promoter' shareholding, please refer chapter titled **"Capital Structure"** beginning on Page No. 59 of this Draft Red Herring Prospectus.

35. We are dependent on a number of Key Managerial Personnel and our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

Our performance depends largely on the efforts, expertise and abilities of our Key Managerial Personnel, senior management, and our operational personnel who possess significant experience in the industry in which we operate. We believe that the inputs and experience of our KMP and senior management, in particular, and other key personnel are valuable for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. Moreover, we may be required to substantially increase the number of our qualified

personnel in connection with any future growth plans, and we may face difficulty in doing so due to the intense competition in the technology industry for such personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past in order to remain competitive in retaining.

Further, the COVID -19 pandemic has dynamically altered the approach on workplace hygiene and safety and continuity of operations while confirming with measures implemented by the central and state governments in relation to the health and safety of our employees may result in increased costs. In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees' contract COVID-19, we may be required to quarantine our employees and shut down a part of or the entire operating facility as necessary. Risks arising on account of COVID-19 can also threaten the safe operation of our facility, loss of life, injuries and impact the well-being of our employees.

36. Our operating expenses include overheads that may remain fixed in the medium term. In case there is any decline in our operating performance, we may be unable to reduce such expenses.

Our operating expenses include various fixed costs, which are as such, not dependent on sales revenue. Any shortfall in sales may cause significant variations in operating results in any particular quarter, as we would not be able to reduce our fixed operating expenses in the short term. The effect of any decline in sales may thereby be magnified because a portion of our earnings are committed to paying these fixed costs. Accordingly, we believe that period-to-period comparisons of our results may not necessarily give a correct presentation of the performance and should not be relied upon as indications of future performance.

37. Delays or defaults in payments from our clients could result into a constraint on our cash flows. The efficiency and growth of our business depends on timely payments received from our clients.

In the event, our client's default or delay in making payments and clearing their dues, we may not have adequate resources to fund our business and implement our growth plans. This could have an adverse effect on the results of operations and our financial condition.

38. The shortage or non-availability of power facilities may adversely affect our business processes and have an adverse impact on our results of operations and financial condition.

Our business processes require substantial amount of power facilities. We do not have arrangements for alternative / independent sources of power supply as of now. We are mainly dependent on local electricity service provider for meeting our electricity requirements, there may be factors beyond our control affecting the supply of power. Any power failure may lead to increased costs, thereby affecting the profitability.

39. Our insurance coverage may not adequately protect us against losses, and successful claims against us that exceed our insurance coverage could harm our results of operations and diminish our financial position.

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, future financial performance and results of operations.

40. There are no alternate arrangements for meeting our requirements for the Objects of the Issue. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

As on date, we have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. We meet our working capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not yet identified any alternate source of funding and hence any failure or delay on our part to raise money from this Issue or any shortfall in the Issue Proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer chapter titled "*Objects of the Issue*" on page 79 of this Draft Red Herring Prospectus.

41. *Guarantees from Promoters & Director as well as others have been taken in relation to the debt facilities provided to us.*

In an event any of the guarantors withdraws or terminates this guarantee, the lender for such facilities may ask for alternate guarantee / s, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantee / s satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial condition. For more information, please see the chapter titled ***“Statement of Financial Indebtedness”*** beginning on page 150 of this Draft Red Herring Prospectus.

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

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Additionally, under some of our loan agreements, we may not be permitted to declare any dividends, if there is a default under such loan agreements or unless our Company has paid all the dues to the lender up to the date on which the dividend is declared or paid or has made satisfactory provisions thereof. Accordingly, realization of a gain on shareholder’s investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our dividend history, see ***“Dividend Policy”*** on page 148 of this Draft Red Herring Prospectus.

43. *Any future acquisitions, joint ventures, partnerships, strategic alliances, tie-ups or investments could fail to achieve expected synergies and may disrupt our business and harm the results of operations and our financial condition.*

Our success will depend, in part, on our ability to expand our business in response to changing technologies, customer demands and competitive pressures. We have, in the past, explored and continue to explore opportunities on our own, through collaborations, tie-ups, strategic alliances, partnerships or joint venture across the country and regions of focus. In some circumstances, we may also decide to acquire, or invest in, complementary technologies instead of internal development. While we are currently evaluating opportunities and negotiating with several potential partners, we have not entered into any definitive agreements. The risks we face in connection with acquisitions may include integration of product and service offerings, co-ordination of R&D and marketing functions and the diversion of management’s time and focus from operating our business to addressing challenges pertaining to acquisition and integration. Our failure to address these risks or other problems encountered in connection with our acquisitions and investments could result in our failure to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities, and harm our business generally.

44. *Our future funds requirements, in the form of fresh issue of capital or securities and / or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised.*

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible securities would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favorable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

45. *Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, and formulation of a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios.*

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that are not waived by our lenders or are not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. Though these covenants are restrictive to some extent to the Company however it ensures financial discipline, which would help the Company in the long run to improve its financial performance.

For further information, see the chapter titled ***“Statement of Financial Indebtedness”*** on page 150 of this Draft Red Herring Prospectus.

46. Certain Agreements / deeds may be in the previous name of the company.

Our certain agreements and deeds may be in the name of the erstwhile name of the company i.e., Comrade Appliances Private Limited. In case we fail to change the name in the agreements and deeds, it may cause adverse effect on Our company's business.

47. Some of the KMPs is associated with our company for less than one year.

Our Key Management Personnel, Company Secretary and Chief Financial Officer are associated with the Company for a period of less than one year therefore they may not have been accustomed to the company affairs till date. For details of Key Management Personnel and their appointment, please refer to chapter ***“Our Management”*** beginning on page 121 of this Draft Red Herring Prospectus.

48. There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all.

In accordance with Indian law and practice, permission to list the Equity Shares will not be granted until after the Equity Shares have been issued and allotted. Approval will require all other relevant documents authorizing the issuing of our Equity Shares to be submitted. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

49. Excessive reliance on our information technology systems and their failure could harm our relationship with customers, expose us to lawsuits or administrative sanctions or otherwise adversely affect our provision of products to customers and our internal operation.

As part of our business strategy, we use high quality of information technology system to deliver our products in the best possible way. We have an exemplary track record for completion of the projects within the stipulated time period but there may be the system interruptions, errors, or downtime which could result from a variety of causes including changes in technology, technology failure, changes in system, and power failure etc. these may affect our business adversely.

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

Since, the Issue size is less than ₹10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised from this Issue, is hence, at the discretion of the management and the Board of Directors of Our Company and Our Company's management will have flexibility in applying the proceeds of the Issue and will not be subject to monitoring by any independent agency. The fund requirement and deployment mentioned in the Objects of the Issue is based on internal management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials. However, our Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue. Also, in accordance with Section 27 of the Companies Act, 2013, a company shall not vary the objects of the Issue without the Company being authorized to do so by our shareholders by way of special resolution and other compliances as applicable in this regard. Our Promoters and controlling shareholders shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

51. Negative publicity could adversely affect our revenue model and profitability.

We work in the market where trust of the customers on us and upon the products provided by us matters a lot. Any negative publicity regarding our company or the products provided by the company due to any other unforeseen events may affect our reputation and image which leads to the adverse effect on our business and goodwill as well.

52. Industry information included in this Draft Red Herring Prospectus has been derived from industry reports commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.

We have relied on the reports of certain independent third party for purposes of inclusion of such information in this Draft Red Herring Prospectus. These reports are subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified data from such industry reports and other sources. Although we believe that the data may be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their depend ability cannot be assured. While we have taken reasonable care in the reproduction of the

information, the information has not been prepared or independently verified by us, or any of our respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective 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 for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

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

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a half yearly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and / or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge and we cannot assure that we will be able to do so in a timely manner.

Issue Specific Risks:

54. *There are restrictions on daily / weekly / monthly movements in the price of the Equity Shares, which may adversely affect a shareholders' ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Once listed, we would be subject to circuit breakers imposed by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

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

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

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

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

56. You will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in the Draft Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

57. The Issue price of our Equity Shares may not be indicative of the market price of our Equity shares after the issue.

The Issue price of our equity Shares has been determined by Book Built method. This price is based on numerous factors 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 fluctuation 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. For further details you may refer chapter titled "**Basis for Issue Price**" beginning on the page 84 of this Draft Red Herring Prospectus.

Some of the factors which may affect our share price without limitations are as follows:

- Reports on research by analysts.
- Changes in revenue.
- Variations in growth rate of our financial indicators such as earning per share, income, profit etc.
- General Market Condition
- Domestic and International Economy.

58. Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the Trading price of the Equity Shares.

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

EXTERNAL RISKS

Industry Related Risks:

59. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended / changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

60. Malpractices by some players in the industry affect overall performance of emerging Companies

The industry in which our Company operates is subject to risk associated with unethical business practices such as unethical marketing, dishonest advertising, questionable pricing practices, inaccurate claims with regards to safety and efficacy of the product etc. Consumers' attitude toward the industry today is dominated by a sense of mistrust, paving a way for regulators for stricter entry barriers and introduction of code of conducts; making the entire industry environment regulated and controlled. Malpractices by some players in the industry affects the overall performance of the emerging Companies like us as the industry norms are applicable to all at parity. Any unethical business practices by any industry player or intermediary may impact our business and results of operations.

OTHER RISKS:***61. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian Company are generally taxable in India. Any gain on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax (“STT”) has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain on the sale of shares held for a period of 12 months or less will be subject to capital gains tax in India. Further, any gain on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

In Finance Bill 2017, section 10(38) was amended to provide that exemption under this section for income arising on transfer of equity share acquired on or after 1st day of October 2004 shall be available only if the acquisition of share is chargeable to Securities Transactions Tax (STT) under Chapter VII of the Finance (No 2) Act, 2004. In case this provision becomes effective, sale shares acquired on or after 1st day of October 2004 on which STT was not charged will attract tax under provisions of Long-Term Capital Gains.

As per Finance Bill 2018, exemption under section 10(38) for income arising from long term gains on transfer of equity share shall not be available on or after 1st day of April 2018 if the long-term capital gains exceeds ₹ 1,00,000/- p.a. Such income arising from long term gains on transfer of equity share on or after 1st day of April 2018 in excess of ₹ 1,00,000/- pa. shall be chargeable at the rate of 10%. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

62. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements, prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Red Herring Prospectus.

As stated in the reports of the Auditor included in this Draft Red Herring Prospectus under chapter “Financial Statements as Restated” beginning on page 149 the financial statements included in this Draft Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

63. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

64. Financial instability in Indian Financial Markets could adversely affect our Company’s results of operation and financial condition.

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each

country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our Company's business, operations, financial condition, profitability and price of its Shares. Stock exchanges in India have in the past experienced substantial fluctuations in the prices of listed securities.

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

While facts and other statistics in this Draft Red Herring Prospectus relating to India, the Indian economy and our industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled "Our Industry" beginning on page 90 of this Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency a magnitude, which may negatively affect our stock prices.

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

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

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

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

69. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

70. Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

SECTION IV: INTRODUCTION**THE ISSUE**

Present Issue in Terms of this Draft Red Herring Prospectus

| Particulars | No. of Equity Shares |
|---|---|
| Equity Shares Offered through Public Issue ^{(1) (2)} | Issue of upto 19,08,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [●] per Equity Share aggregating to Rs. [●] |
| Out Of Which: | |
| Reserved for Market Maker | Upto 96,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [●] per Equity Share aggregating Rs. [●] |
| Net Issue to the Public* | Upto 18,12,000 Equity Shares of face value of Rs. 10/- each fully paid of the Company for cash at price of Rs. [●] per Equity Share aggregating Rs. [●] |
| Of which: | |
| A. QIB Portion ⁽³⁾⁽⁴⁾ | Not more than [●] Equity Shares (not more the 50%) aggregating up to ₹ [●] lakhs |
| Of which: | |
| i) Anchor Investor Portion | Upto [●] Equity Shares aggregating up to ₹ [●] lakhs |
| ii) Net QIB Portion (Assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares aggregating up to ₹ [●] lakhs |
| Of which: | |
| a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | [●] Equity Shares aggregating up to ₹ [●] lakhs |
| b) Balance of QIB Portion for all QIBs including Mutual Funds | [●] Equity Shares aggregating up to ₹ [●] lakhs |
| B. Non-Retail Investors Portion | Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs |
| C. Retail Investors Portion | Not less than [●] Equity Shares aggregating up to ₹ [●] lakhs |
| Pre and Post Issue Share Capital of our Company: | |
| Equity Shares outstanding prior to the Issue | 52,50,795 Equity Shares |
| Equity Shares outstanding after the Issue | Upto 71,58,795 Equity Shares |
| Use of Issue Proceeds | For details, please refer chapter titled ' <i>Objects of the Issue</i> ' beginning on page no. 79 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.

Notes:

- 1) The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post – issue paid up equity share capital of our company are being offered to the public for subscription.
- 2) The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 15, 2022 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on December 20, 2022.
- 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, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws. 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.

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 at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for 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 201 of this Draft Red Herring Prospectus.

SUMMARY OF FINANCIAL STATEMENTS

| COMRADE APPLIANCES LIMITED (formerly known as Comrade Appliances Private Limited) (CIN - U74999MH2017PLC292817) RESTATED STATEMENT OF ASSETS AND LIABILITIES <i>(Amount in Lakhs, Unless Otherwise Stated)</i> | | | | |
|--|--------------------|-----------------|--------------------|-----------------|
| Particulars | As at 31-Aug-22 | 31-Mar-22 | As at 31-Mar-21 | 31-Mar-20 |
| A) EQUITY AND LIABILITIES | | | | |
| 1. Shareholders' Funds | | | | |
| (a) Share Capital | 517.27 | 517.27 | 332.37 | 332.37 |
| (b) Reserves & Surplus | 85.61 | (14.87) | (90.60) | (38.97) |
| | 602.88 | 502.40 | 241.77 | 293.40 |
| Share Application Money Pending Allotment | - | - | 221.88 | - |
| | - | - | 221.88 | - |
| 3. Non-Current Liabilities | | | | |
| (a) Long Term Borrowings | 307.13 | 394.16 | 640.04 | 213.86 |
| (b) Deferred Tax Liability (Net) | 1.93 | 1.41 | 1.13 | 0.48 |
| (c) Long Term Provisions | 9.23 | 8.69 | 4.10 | 2.05 |
| | 318.29 | 404.26 | 645.27 | 216.39 |
| 4. Current Liabilities | | | | |
| (a) Short Term Borrowings | 773.61 | 719.63 | 772.34 | 187.07 |
| (b) Trade Payables | | | | |
| (A) outstanding dues of micro enterprises and small enterprises; and | - | - | - | - |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises. | 419.67 | 638.26 | 867.07 | 613.98 |
| (c) Other Current Liabilities | 89.98 | 155.92 | 300.50 | 339.93 |
| (d) Short Term Provisions | 67.78 | 106.84 | 91.81 | 28.21 |
| | 1,351.04 | 1,620.65 | 2,031.72 | 1,169.19 |
| Total | 2,272.21 | 2,527.31 | 3,140.65 | 1,678.98 |
| B) ASSETS | | | | |
| 1. Non-Current Assets | | | | |
| (a) Property, Plant and Equipment and Intangible assets | | | | |
| i) Property, Plant and Equipment | | | | |
| (i) Gross Block | 680.64 | 672.86 | 638.54 | 361.33 |
| (ii) Depreciation | 275.57 | 241.71 | 143.21 | 91.53 |
| (iii) Net Block | 405.07 | 431.15 | 495.33 | 269.80 |
| ii) Intangible Assets | 2.25 | 3.06 | - | - |
| | 407.32 | 434.21 | 495.33 | 269.80 |
| (b) Long Term Loans and Advances | 5.00 | 5.00 | 5.00 | 5.00 |
| (c) Other Non-Current Assets | 75.57 | 75.57 | 75.46 | 6.21 |
| | 80.57 | 80.57 | 80.46 | 11.21 |
| 2. Current Assets | | | | |
| (a) Inventories | 1,226.29 | 1,245.17 | 1,417.21 | 671.94 |
| (b) Trade Receivables | 441.53 | 676.70 | 884.79 | 521.61 |
| (c) Cash and Bank Balances | 35.56 | 25.32 | 36.69 | 6.11 |
| (d) Short Term Loans & Advances | 1.60 | 1.50 | 3.67 | 0.13 |
| (e) Other Current Assets | 79.35 | 63.84 | 222.50 | 198.18 |
| | 1,784.32 | 2,012.53 | 2,564.86 | 1,397.97 |
| Total | 2,272.21 | 2,527.31 | 3,140.65 | 1,678.98 |

| COMRADE APPLIANCES LIMITED (Formerly known as Comrade Appliances Private Limited) (CIN - U74999MH2017PLC292817) RESTATED STATEMENT OF PROFIT & LOSS <i>(Amount in Lakhs, Unless Otherwise Stated)</i> | | | | |
|---|--------------------------------------|--------------------|-----------------|-----------------|
| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| 1 Revenue From Operations | 1,555.36 | 2,964.89 | 2,600.49 | 2,162.29 |
| 2 Other Income | 3.79 | 8.39 | 3.36 | - |
| 3 Total Income (1+2) | 1,559.15 | 2,973.28 | 2,603.85 | 2,162.29 |
| 4 Expenditure | | | | |
| (a) Cost of Material Consumed | 934.39 | 2,039.31 | 2,271.65 | 1,825.67 |
| (b) Purchase of Stock-in-trade | 54.98 | 31.73 | 25.72 | 65.22 |
| (c) Changes in Inventories | 132.88 | 78.12 | (165.02) | (123.28) |
| (d) Employee Benefit Expenses | 86.49 | 206.24 | 125.10 | 107.04 |
| (e) Finance Cost | 55.05 | 148.16 | 113.08 | 36.37 |
| (f) Depreciation | 34.70 | 99.55 | 52.97 | 41.78 |
| (g) Other Expenses | 126.18 | 315.89 | 151.88 | 158.65 |
| 5 Total Expenditure 4(a) to 4(g) | 1,424.84 | 2,918.99 | 2,575.37 | 2,111.45 |
| Profit/(Loss) Before Exceptional and Extra-Ordinary Item | 134.47 | 54.29 | 28.48 | 50.84 |
| Exceptional Items | - | - | - | - |
| 6 Profit/(Loss) Before Tax (3-5) | 134.47 | 54.29 | 28.48 | 50.84 |
| 7 Tax Expense: | | | | |
| (a) Tax Expense for Current Year | 33.51 | 15.26 | 7.62 | 6.73 |
| (b) Deferred Tax | 0.51 | 0.28 | 0.65 | 2.32 |
| Net Current Tax Expenses | 34.02 | 15.54 | 8.27 | 9.04 |
| 8 Profit/(Loss) for the Year (6-7) | 100.45 | 38.75 | 20.21 | 41.80 |
| 9 Restated Earning Per Share | | | | |
| Basic | 1.94 | 0.99 | 0.61 | 1.37 |
| Diluted | 1.94 | 0.99 | 0.61 | 1.37 |

| COMRADE APPLIANCES LIMITED (formerly known as Comrade Appliances Private Limited) (CIN - U74999MH2017PLC292817) RESTATED STATEMENT OF CASH FLOWS <i>(Amount in Lakhs, Unless Otherwise Stated)</i> | | | | |
|--|-----------------------------------|--------------------|-----------------|-----------------|
| PARTICULARS | For the period ended 31-Aug-22 | For the year ended | | |
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| A) Cash Flow From Operating Activities : | | | | |
| Net Profit before tax | 134.47 | 54.29 | 28.48 | 50.84 |
| Adjustment for : | | | | |
| Depreciation | 34.70 | 99.55 | 52.97 | 41.78 |
| Interest Paid | 40.02 | 139.70 | 99.12 | 31.56 |
| Interest Income | (2.08) | (1.85) | - | - |
| Mat credit transferred to accumulated profit | - | 36.98 | (0.91) | - |
| Profit on sale of Fixed Assets | - | - | (2.36) | - |
| Provision for gratuity | 0.70 | 4.60 | 2.06 | 2.06 |
| Operating profit before working capital changes | 207.81 | 333.27 | 179.35 | 126.23 |
| Changes in Working Capital | | | | |
| (Increase)/Decrease in Inventories | 18.88 | 172.04 | (745.27) | (485.09) |
| (Increase)/Decrease in Trade Receivables | 235.17 | 208.09 | (363.18) | (304.57) |
| (Increase)/Decrease in Short Term Loans & Advances | (0.10) | 2.17 | (3.54) | 1.42 |
| (Increase)/Decrease in Long Term Loans & Advances | - | - | - | (5.00) |
| (Increase)/Decrease in Other Current Assets | (15.50) | 158.66 | (24.33) | (108.88) |
| (Increase)/Decrease in Other Non-Current Assets | - | (0.11) | (69.25) | (0.20) |
| Increase/(Decrease) in Trade Payables | (218.59) | (228.82) | 253.10 | 434.22 |
| Increase/(Decrease) in Other Current Liabilities | (65.95) | (144.58) | (39.43) | 285.33 |
| Increase/(Decrease) in Short Term Provisions | (73.72) | 15.01 | 63.59 | 21.55 |
| Increase/(Decrease) in Short Term Borrowings | 53.98 | (52.70) | 585.26 | 187.07 |
| Cash generated from operations | 142.99 | 463.03 | (163.69) | 152.09 |
| Less:- Income Taxes paid | - | 15.26 | 7.62 | 6.73 |
| Cash Flow Before Extraordinary Item | 142.99 | 447.77 | (171.31) | 145.36 |
| Extraordinary Items | - | - | - | - |
| Net cash flow from operating activities | 142.99 | 447.77 | (171.31) | 145.36 |
| B) Cash Flow From Investing Activities : | | | | |
| Purchase of Fixed Assets | (7.78) | (38.42) | (283.49) | (115.94) |
| Sale of Fixed Assets | - | - | 4.99 | - |
| Profit on sale of Fixed Assets | - | - | 2.36 | - |
| Loss on Acquisition | - | - | (70.92) | - |
| Dividend Income | - | - | - | - |
| Investment sold during the year | - | - | - | - |
| Interest Income | 2.08 | 1.85 | - | - |
| Net cash flow from investing activities | (5.70) | (36.57) | (347.06) | (115.94) |
| C) Cash Flow From Financing Activities : | | | | |
| Issue of Equity Shares | - | 184.90 | - | 68.81 |
| Increase/(Decrease) in Share Application money | - | (221.88) | 221.88 | (40.06) |
| Increase/(Decrease) in Long Term Borrowings | (87.03) | (245.88) | 426.18 | (21.29) |
| Interest Paid | (40.02) | (139.70) | (99.12) | (31.56) |
| Net cash flow from financing activities | (127.05) | (422.57) | 548.95 | (24.09) |
| Net Increase/(Decrease) In Cash & Cash Equivalents | | | | |
| Equivalents | 10.24 | (11.37) | 30.57 | 5.32 |
| Cash equivalents at the beginning of the year | 25.32 | 36.69 | 6.11 | 0.79 |
| Cash equivalents at the end of the year | 35.56 | 25.32 | 36.69 | 6.11 |
| Notes :- | | | | |
| 1 Component of Cash and Cash equivalents | | | | |
| Cash on hand | 0.56 | 0.32 | 0.64 | 0.12 |
| Balance With banks | - | - | 0.71 | 6.00 |
| Fixed Deposit | 35.00 | 25.00 | 35.34 | - |

| | 35.56 | 25.32 | 36.69 | 6.11 |
|--|---------------------------------------|------------------|-------------------------------------|------------------|
| 2. Reconciliation of the movements of liabilities to cash flows arising from financing activities | | | | |
| PARTICULARS | For the period ended 31-Aug-22 | 31-Mar-22 | For the year ended 31-Mar-21 | 31-Mar-20 |
| Opening balance | | | | |
| Working Capital Facility | 548.32 | 594.02 | 147.23 | 123.57 |
| Loan from Related Parties | 42.00 | 44.50 | 81.50 | 43.00 |
| Loan from Others | - | 102.95 | 5.00 | - |
| Term Loan | 523.47 | 670.90 | 167.20 | 67.82 |
| Total | 1,113.79 | 1,412.38 | 400.93 | 234.39 |
| Movement | | | | |
| Cash flows ; | | | | |
| Working Capital Facility | 60.99 | (45.70) | 446.79 | 23.66 |
| Loan from Related Parties | (24.00) | (2.50) | (37.00) | 38.50 |
| Loan from Others | - | (102.95) | 97.95 | 5.00 |
| Term Loan | (70.04) | (147.44) | 503.70 | 99.38 |
| Interest expenses | 40.02 | 139.70 | 99.12 | 31.56 |
| Closing Balance | | | | |
| Working Capital Facility | 609.32 | 548.32 | 594.02 | 147.23 |
| Loan from Related Parties | 18.00 | 42.00 | 44.50 | 81.50 |
| Loan from Others | - | - | 102.95 | 5.00 |
| Term Loan | 453 | 523 | 671 | 167 |
| Total | 1,080.74 | 1,113.79 | 1,412.38 | 400.93 |

SECTION V: GENERAL INFORMATION

Our Company was originally incorporated as Comrade Appliances Private Limited on March 22, 2017 vide certificate of incorporation bearing CIN U74999MH2017PTC292817 as a Private Limited Company under the provisions of the Companies Act, 2013 issued by Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a Special Resolution of our Shareholders passed at the Extra-Ordinary General Meeting held on November 10, 2022, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to ‘Comrade Appliances Limited’ and a Fresh Certificate of Incorporation consequent to Conversion was issued on December 13, 2022 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U74999MH2017PLC292817.

For details in relation to the incorporation, Registered Office and other details, please refer to the chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page 121 of this Draft Red Herring Prospectus.

| BRIEF COMPANY AND ISSUE INFORMATION | |
|---|--|
| Registration Number | 292817 |
| Corporate Identification Number | U74999MH2017PLC292817 |
| Date of Incorporation as Private Limited Company | March 22, 2017 |
| Date of Incorporation as Public Limited Company | December 13, 2022 |
| Address of Registered Office | Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West, Mumbai - 400102, Maharashtra, India. Tel: 022-66959545 Email: info@comrade.net.in Website: www.comrade.net.in |
| Address of Registrar of Companies | Registrar of Companies, Mumbai 100, Everest, Marine Drive, Mumbai - 400002, Maharashtra, India. Tel: 022-22812627/22020295/22846954 Fax: 022-22811977 Email: roc.mumbai@mca.gov.in Website: www.mca.gov.in |
| Designated Stock Exchange | BSE Limited (SME Platform of BSE Limited) P J Towers, Dalal Street, Fort, Mumbai – 400001, Maharashtra, India. |
| Issue Programme | Anchor Portion Issue Opens/Closes on [●] Issue Opens on: [●] Issue Closes on: [●] |
| Chief Financial Officer | Mr. Khursheed Alam Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West, Mumbai - 400102, Maharashtra, India. Tel: 022-66959545 Email: cfo@comrade.net.in Website: www.comrade.net.in |
| Company Secretary and Compliance Officer | Ms. Kiran Tilwani Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West, Mumbai - 400102, Maharashtra, India. Tel: 022-66959545 Email: cs@comrade.net.in Website: www.comrade.net.in |

OUR BOARD OF DIRECTORS

Details regarding our Board of Directors as on the date of this Draft Red Herring Prospectus are set forth in the table hereunder:

| Name | Designation | Address | DIN |
|--------------------|--------------------|--|------------|
| Mr. Khursheed Alam | Managing Director | Flat No. 101, A wing, Rizwan Apartment, Sagar Tower Road, Jogeshwari West, Mumbai-400102, Maharashtra, India | 07349338 |
| Mr. Shakir Khan | Executive Director | 403, Chaniyapura Jhansi - 284002, Uttar Pradesh, India | 07719992 |

| Name | Designation | Address | DIN |
|-------------------|------------------------|--|----------|
| Mr. Mehboob Alam | Non-Executive Director | 44 Inside Bara Gaon Gate, Jhansi-284002 Uttar Pradesh, India. | 07620289 |
| Ms. Sonu Dhariwal | Independent Director | 368/E-1, Naneshvila Kalani Nagar, Indore-452005, Madhya Pradesh, India | 05359013 |
| Mr. Rajan Agarwal | Independent Director | E- 563, Greater Kailash- 2, South Delhi-110048, Delhi, India. | 01282739 |

For detailed profile of our directors', refer "**Our Management**" on page 121 respectively of this Draft Red Herring Prospectus.

INVESTOR GRIEVANCES

Investors may contact our Company Secretary and Compliance Officer and/ 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 Equity Shares in the respective beneficiary account or unblocking of ASBA Account, etc. For all the issue related queries and for redressal of complaints, Bidders may also write to the BRLM:

All issue related grievances, other than Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application form was submitted. The Bidder should give full details such as name of the sole or first bidder, Bid cum Application form number, bidder DP ID, Client ID, PAN, date of the Bid cum Application form, address of the bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application form was submitted by the ASBA bidder and ASBA Account number (for bidders other than RIBs Applying through the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or UPI ID in case of RIIs applying through the UPI Mechanism.

All Issue-related grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the Sole or First bidder, Anchor Investor Application Form Number, bidder DP ID, Client ID, PAN, date of the Bid cum Application form, address of the bidder, number of Equity Shares applied for and the name and address of the BRLM where the Bid cum Application form was submitted by the bidder.

All grievances relation to Bids submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Issue.

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

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

For all issue related queries and for redressal of complaints, Bidder may also write to the Book Running Lead Manager. All complaints, queries or comments received by Stock Exchange/ SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE OF OUR COMPANY

| BOOK RUNNING LEAD MANAGER OF THE ISSUE | REGISTRAR TO THE COMPANY AND TO THE ISSUE |
|---|---|
| GRETEX CORPORATE SERVICES LIMITED Office No. 13, 1 st Floor, New Bansilal Building, Raja Bahadur Mansion, 9-15, Homi Modi Street, Fort, Mumbai- 400001, Maharashtra, India Tel. No.: +91-22-4002 5273 / +91 96532 49863 Fax No.: NA Email: info@gretexgroup.com Website: www.gretexcorporate.com Contact Person: Ms. Dimple Magharam Slun SEBI Registration No.: INM000012177 CIN: L74999MH2008PLC288128 | BIGSHARE SERVICES PRIVATE LIMITED S6-2, 6th Pinnacle Business Park, Mahakali Caves Road, next to Ahura Centre, Andheri East, Mumbai- 400093, Maharashtra, India Tel. No.: +91 – 22 – 6263 8200 Fax No.: +91 – 22 – 6263 8299 Email: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Sagar Pathare SEBI Registration No.: INR000001385 CIN: U99999MH1994PTC076534 |

| LEGAL ADVISOR TO THE ISSUE | STATUTORY AUDITOR OF THE COMPANY |
|---|---|
| M/S. M. V. KINI LAW FIRM Kini House, Near Citibank, D.N. Road, Fort, Mumbai-400001, India Tel No.: +91-11-2437 1038/39/40, +91-9899016169 Fax No.: +91-11-2437 9484 Email: raj@mvkini.com Website: www.mvkini.com Contact Person: Ms. Raj Rani Bhalla | N B T & Co., Chartered Accountants, 2 nd Floor, Mahindra M-Space, Behind Patkar College, S V Road, Next to Meenatai Thackeray Blood Bank, Goregaon West, Mumbai-400062. Tel No.: +91- 89766 00300 E-mail: nbtco@gmail.com Contact Person: Mr. Ashutosh Biyani Membership No.: 165017 Firm Registration No.: 140489W Peer Review No: 013928 |
| BANKER TO THE COMPANY | BANKERS TO THE ISSUE / SPONSOR BANK* |
| [•] | [•] |
| SYNDICATE MEMBER* | |
| [•] | |

**The Banker to the Company, Banker to the Issue (Sponsor Bank) and Syndicate Member shall be appointed prior to filing of the Red Herring Prospectus with the RoC.*

CHANGES IN AUDITORS DURING LAST THREE FINANCIAL YEARS

Except as mentioned below, there has been no change in the auditors of our Company during the last 3 years:

| Sr. No | Date of Change | From | To | Reason for Change |
|--------|--------------------|--|--|----------------------------|
| 1. | September 30, 2022 | IAK & ASSOCIATES Chartered Accountants, B-204, Sun-Moon Apartment No-1, Agarwal Industrial Estate, Jogeshwari (W), Mumbai - 400102 Tel No.: 022-26783014 E-mail: iakandassociates@gmail.com Contact Person: CA Imran Abdul Kazi Membership No.: 127667 Firm Registration No.: 132329W | N B T & Co., Chartered Accountants, 2 nd Floor, Mahindra M-Space, Behind Patkar College, S V Road, Next to Meenatai Thackeray Blood Bank, Goregaon West, Mumbai-400062. Tel No.: +91- 8976600300 E-mail: nbtco@gmail.com Contact Person: CA Ashutosh Biyani Membership No.: 165017 Firm Registration No.: 140489W Peer Review No: 013928 | Fill up the casual vacancy |

SELF-CERTIFIED SYNDICATE BANKS

The list of SCSBs notified by SEBI for the ASBA process is available on the SEBI website at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Applicant, (other than an RII using the UPI Mechanism), not Applying through Syndicate or through a Registered Broker, may submit the ASBA Forms, is available at the above-mentioned link, and at such other websites as may be prescribed by SEBI from time to time.

Further, the branches of the SCSBs where the Designated Intermediaries could submit the ASBA Form of Applicants is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time

INVESTORS BANKS OR ISSUER BANKS FOR UPI

In accordance with UPI Circulars, RIIs Applying via UPI Mechanism may apply through the SCSBs and mobile applications, whose names appear on the website of SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>), as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' to the SEBI circular, bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

REGISTERED BROKERS

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

REGISTRAR AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

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

STATEMENT OF RESPONSIBILITY OF THE BOOK RUNNING LEAD MANAGER / STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Gretex Corporate Services Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities amongst Book Running Lead Manager is not required.

CREDIT RATING

This being an Issue of Equity Shares, there is no requirement of credit rating for the Issue.

IPO GRADING

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

EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor namely N B T & Co., Chartered Accountants, to include their name in respect of the reports on the Restated Financial Statements dated February 17, 2023 and the Statement of Tax Benefits dated February 17, 2023 issued by them and included in this Draft Red Herring Prospectus, as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as "Expert" as defined under Section 2(38) of the Companies Act, 2013 and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

TRUSTEES

This is an issue of equity shares hence appointment of trustees is not required.

MONITORING AGENCY

Since the proceeds from the Fresh Issue does not exceed Rs.10,000 lakhs in terms of Regulation 262 (1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. However, as per Section 177 of the Companies Act, 2013, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

APPRAISAL AGENCY

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

FILING OF ISSUE DOCUMENT

The Draft Red Herring Prospectus shall not be filed with SEBI, nor shall SEBI issue any observation on the Draft Offer Document in terms of Regulation 246(2) of SEBI (ICDR), 2018. Pursuant to Regulation 246(1), a copy of the Red Herring Prospectus and Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in> at the time of filing with the Registrar of Companies. Further, in light of the SEBI notification dated March 27, 2020, our company will submit a copy of Red Herring Prospectus and Prospectus to the email id: cfddil@sebi.gov.in

A copy of the Red Herring Prospectus along with the documents required to be filed under Section 26 & 32 of the Companies Act, 2013 will be delivered to the Registrar of Company, Mumbai at 100, Everest, Marine Drive, Mumbai - 400002, Maharashtra, India. and a copy of Prospectus shall be filed under Section 26 & 32 of the Companies Act, 2013 to Registrar of Company, Mumbai.

BOOK BUILDING PROCESS

Book Building Process, in the context of the Issue, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band, shall be decided by our Company in consultation with the BRLM and shall be advertised in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Mumbai Edition of Regional newspaper [●], where our Registered Office is situated, at least two Working Days prior to the Bid/Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Issue Price shall be determined by our Company in consultation with the BRLM 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 Gretex Corporate Services Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI/ registered as brokers with SME Platform of BSE Limited and eligible to act as Underwriters;
- The Syndicate Member(s) will be appointed by the Book Running Lead Manager;
- The Escrow collection Banks / Banker to the Issue;
- The Sponsor Bank(s);
- The Registrar to the Issue and;
- The designated Intermediaries

All Bidders, other than Anchor Investors, shall participate in the Issue mandatorily through the ASBA process by providing the details of their respective ASBA Accounts in which the corresponding Bid Amount will be blocked by the SCSBs and Sponsor Bank, as the case may be. Retail Individual Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or, (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Issue through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (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. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis and allocation to Anchor Investors in the Anchor Investor Portion will be on a discretionary basis.

For further details, see the chapters titled “*Terms of the Issue*”, “*Issue Structure*” and “*Issue Procedure*” beginning on pages 189, 197 and 201 respectively.

The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Illustration of Book Building Process and the Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see the section titled “*Issue Procedure*” beginning on page 201.

WITHDRAWAL OF THE ISSUE

In accordance with the SEBI (ICDR) Regulations, our Company in consultation with Book Running Lead Manager, reserves the right not to proceed with this issue at any time after the Issue Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Offer Document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non-Retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

UNDERWRITER

Our Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The Underwriting agreement is dated January 28, 2023. Pursuant to the terms of the Underwriting Agreement the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriter have indicated its intention to underwrite the following number of specified securities being offered through this Issue:

| Details of the Underwriter | No. of shares underwritten | Amount Underwritten (₹ in Lakh) | % of the Total Issue Size Underwritten |
|---|----------------------------|---------------------------------|--|
| Gretex Corporate Services Limited Office No. 13, 1 st Floor, New Bansilal Building, Raja Bahadur Mansion, 9-15 Homi Modi Street, Fort, Mumbai – 400001, Maharashtra, India. Tel. No.: +91 96532 49863 Email: info@gretexgroup.com Website: www.gretexcorporate.com Contact Person: Ms. Dimple Magharam Slun SEBI Registration No.: INM000012177 CIN: L74999MH2008PLC288128 | Upto 18,12,000 | [●] | [●] % |
| Gretex Share Broking Private Limited Office No. 13, 1 st Floor, New Bansilal Building, Raja Bahadur Mansion, 9-15, Homi Modi Street, Fort, Mumbai – 400023, Maharashtra, India Tel. No.: +91 22 4002 5273 Email: sherwoodpvtltd@yahoo.co.in Contact Person: Mr. Alok Harlalka SEBI Registration No: INZ000166934 Market Maker Registration No.: SMMM0617628062012 | Upto 96,000 | [●] | [●] % |
| TOTAL | upto 19,08,000 | [●] | 100.00% |

As per Regulation 260(2) of SEBI (ICDR) Regulations, 2018, the Book Running Lead Manager has agreed to underwrite to a minimum extent of 15% of the Issue out of its own account. In the opinion of the Board of Directors (based on certificate given by the Underwriters), the resources of the above-mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as broker with the Stock Exchange.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Book Running Lead Manager shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure / subscribe to Equity Shares to the extent of the defaulted amount. If the Underwriter(s) fails to fulfil its underwriting obligations as set out in the Underwriting Agreement, the Book Running Lead Manager shall fulfil the underwriting obligations in accordance with the provisions of the Underwriting Agreement.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company has entered into Market Making Agreement dated January 28, 2023 with the Book Running Lead Manager and Market Maker to fulfil the obligations of Market Making:

The details of Market Maker are set forth below:

| | |
|---|---|
| Name | Gretex Share Broking Private Limited |
| Address | Office No. 13, 1 st Floor, New Bansilal Building, Raja Bahadur Mansion, 9-15, Homi Modi Street, Fort, Mumbai- 400023, Maharashtra, India |
| Tel No. | +91 - 22 4002 5273 |
| Email | sherwoodpvtltd@yahoo.co.in |
| Contact Person | Mr. Alok Harlalka |
| CIN | U65900MH2010PTC289361 |
| SEBI Registration No. | INZ000166934 |
| Market Maker Registration No. (SME Segment of BSE) | SME MM0617628062012 |

Gretex Share Broking Private Limited, registered with SME Platform of BSE Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the Market Making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

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

- The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker.
- The minimum depth of the quote shall be ₹ 1.00 Lakhs. However, the investors with holdings of value less than ₹ 1.00 Lakhs shall be allowed to offer their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 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% (Including the 5% of Equity Shares of the Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Equity Shares would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, the market maker will resume providing 2-way quotes.
- There shall be no exemption / threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Gretex Share Broking Private Limited is acting as the sole Market Maker.

- g) The shares of the Company will be traded in continuous trading session from the time and day the company gets listed at SME Platform of BSE Limited and Market Maker will remain present as per the guidelines mentioned under the BSE Limited and SEBI circulars.
- h) 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.
- i) The Market Maker shall have the right to terminate said arrangement by giving a three-month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker.
- j) In case of termination of the above-mentioned Market Making Agreement prior to the completion of the compulsory Market Making Period, it shall be the responsibility of the Book Running Lead Manager to arrange for another Market Maker(s) in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations.
- k) Further the Company and the Book Running Lead Manager reserve the right to appoint other Market Maker(s) either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed 5 (five) or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.
- l) SME Platform of BSE Limited will have all margins which are applicable on the BSE Limited Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE Limited can impose any other margins as deemed necessary from time-to-time.
- m) SME Platform of BSE Limited will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and / or non-compliances. Penalties / fines may be imposed by the 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.
- n) 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.
- o) 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 issue 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 Platform of BSE Limited.

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 BSE Limited and SEBI regarding this matter from time to time.

| Sr. 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 |

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

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

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

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

SECTION VI: CAPITAL STRUCTURE

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

| Sr. No. | Particulars | Amount | |
|-----------|---|-------------------------------|--------------------------------|
| | | (₹ in Lakh except share data) | |
| | | Aggregate Nominal Value | Aggregate value at Issue Price |
| A. | Authorised Share Capital | | |
| | 85,00,000 Equity Shares of ₹ 10 each | 850.00 | - |
| B. | Issued, Subscribed and Paid-Up Share Capital before the Issue | | |
| | 52,50,795 Equity Shares of ₹ 10 each | 525.08 | - |
| C. | Present Issue in terms of this Draft Red Herring Prospectus ⁽¹⁾ | | |
| | Issue of upto 19,08,000 Equity Shares of ₹ 10/- each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) | 190.80 | [●] |
| | <i>Which comprises:</i> | | |
| D. | Reservation for Market Maker portion | | |
| | Upto 96,000 Equity Shares of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) | 9.60 | [●] |
| E. | Net Issue to the Public | | |
| | Upto 18,12,000 Equity Shares of ₹ 10 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) | 181.20 | [●] |
| | <i>Of which ⁽²⁾:</i> | | |
| | Atleast [●] Equity Shares of ₹ 10.00 each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) will be available for allocation to Qualified Institutional Buyers of above ₹ 2.00 Lakhs | [●] | [●] |
| | Atleast [●] Equity Shares of ₹ 10/- each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) will be available for allocation to Retail Individual Investors of up to ₹ 2.00 Lakh | [●] | [●] |
| | Atleast [●] Equity Shares of ₹ 10/- each fully paid-up of our Company for cash at a price of ₹ [●] per Equity Share (including premium of ₹ [●] per Equity Share) will be available for allocation to Non-Institutional Investors of above ₹ 2.00 Lakhs. | [●] | [●] |
| F. | Issued, Subscribed and Paid-up Share Capital after the Issue | | |
| | Upto 71,58,795 Equity Shares of ₹ 10 each | 715.88 | [●] |
| G. | Securities Premium Account | | |
| | Before the Issue | 52.59 | |
| | After the Issue | [●] | |

(1) For details in relation to the changes in the authorised share capital of our Company, please refer to section titled "History and Certain Other Corporate Matters - Amendments to our Memorandum of Association" on page 121.

(2) The Issue has been authorized by a resolution of our Board of Directors through their meeting dated December 15, 2022 and by a special resolution of our Shareholders at Extraordinary General Meeting dated December 20, 2022.

(3) Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. 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 Book

Running Lead Manager and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

CLASS OF SHARES

As on date of this Draft Red Herring Prospectus, our Company has only one class of shares i.e., Equity Shares of ₹ 10.00 each. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

NOTES TO CAPITAL STRUCTURE

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

The history of the equity share capital of our Company is set forth below:

| Date of allotment | Number of Equity Shares allotted | Face value (₹) | Issue Price (₹) | Nature of Consideration | Nature of allotment | Cumulative number of Equity Shares | Cumulative paid-up Equity Share capital (₹) | Cumulative Securities Premium (₹) |
|-----------------------------------|----------------------------------|----------------|-----------------|-------------------------|---------------------------|------------------------------------|---|-----------------------------------|
| Upon Incorporation March 22, 2017 | 10,000 | 10.00 | 10.00 | Cash | Subscriber to the MOA (I) | 10,000 | 1,00,000.00 | 0.00 |
| March 19, 2018 | 18,37,500 | 10.00 | 10.00 | Cash | Private Placement (II) | 18,47,500 | 1,84,75,000.00 | 0.00 |
| November 19, 2018 | 7,88,126 | 10.00 | 10.00 | Cash | Private Placement (III) | 26,35,626 | 2,63,56,260.00 | 0.00 |
| August 19, 2019 | 6,88,079 | 10.00 | 10.00 | Cash | Private Placement (IV) | 33,23,705 | 3,32,37,050.00 | 0.00 |
| December 2, 2021 | 18,49,033 | 10.00 | 12.00 | Other than Cash | Preferential Issue (V) | 51,72,738 | 5,17,27,380.00 | 36,98,066.00 |
| January 20, 2023 | 78,057 | 10.00 | 30.00 | Other than Cash | Loan to Equity (VI) | 52,50,795 | 5,25,07,950.00 | 52,59,206.00 |

i. Initial Subscribers to the Memorandum of Association of our Company:

| Sr. No | Names of Allottees | No. of Equity Shares allotted |
|--------|--------------------|-------------------------------|
| 1 | Mr. Khursheed Alam | 2,500 |
| 2 | Mr. Mehboob Alam | 5,000 |
| 3 | Mr. Shakir Khan | 2,500 |
| | Total | 10,000 |

ii. Private Placement of 1,837,500 shares at a price ₹ 10.00 per share on March 19, 2018:

| Sr. No | Names of Allottees | No. of Equity Shares allotted |
|--------|--------------------|-------------------------------|
| 1 | Mr. Khursheed Alam | 402,500 |
| 2 | Mr. Mehboob Alam | 995,000 |
| 3 | Mr. Shakir Khan | 440,000 |
| | Total | 1,837,500 |

iii. Private Placement of 788,126 shares at a price ₹ 10.00 per share on November 19, 2018:

| Sr. No | Names of Allottees | No. of Equity Shares allotted |
|--------|--------------------|-------------------------------|
| 1 | Mr. Khursheed Alam | 5,000 |
| 2 | Mr. Mehboob Alam | 783,126 |
| | Total | 788,126 |

- iv. **Conversion of Loan into equity of 688,079 shares at a price ₹ 10.00 per share allotted in lieu of outstanding unsecured loan for consideration other cash on August 19, 2019:**

| Sr. No | Names of Allottees | No. of Equity Shares allotted |
|--------|--------------------|-------------------------------|
| 1 | Mr. Khursheed Alam | 390,000 |
| 2 | Mr. Mehboob Alam | 250,579 |
| 3 | Mr. Shakir Khan | 47,500 |
| | Total | 688,079 |

- v. **Preferential Issue of 1,849,033 Equity Shares at a price of ₹ 12.00 per share allotted in lieu of business purchase on slump sale basis of M/s Troupe Technologies Private Limited on December 02, 2021:**

| Sr. No | Names of Allottees | No. of Equity Shares allotted |
|--------|---|-------------------------------|
| 1 | M/s Troupe Technologies Private Limited | 1,849,033 |
| | Total | 1,849,033 |

**Pursuant to business transfer agreement dated March 31, 2021, for acquisition of the business of "M/s Troupe Technologies Private Limited". The total consideration of ₹2,21.88 Lakhs has been settled by issuing of 1,849,033 equity shares of ₹10.00 each at an issue price of ₹ 12.00 each.*

- vi. **Conversion of Loan into equity of 78,057 shares at a price ₹ 30.00 per share allotted in lieu of outstanding unsecured loan for consideration other cash on January 20, 2023:**

| Sr. No | Names of Allottees | No. of Equity Shares allotted |
|--------|--------------------|-------------------------------|
| 1 | Mr. Waheed Nizami | 78,057 |
| | Total | 78,057 |

2. Issue of Equity Shares for Consideration other than Cash.

Except as disclosed in point 1 (iv) (v) (vi) above, we have not issued any Equity Shares for consideration other than cash.

- Our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and Section 230-234 of the Companies Act, 2013.
- We have not re-valued our assets since inception and have not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
- Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees, and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed Issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
- Issue of Equity Shares at price lower than the Issue Price during the preceding 1 (one) year

Except as stated below, our Company has not issued any Equity Shares at a price lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus:

Conversion of Loan into equity of 78,057 shares at a price ₹ 30.00 per share allotted in lieu of outstanding unsecured loan for consideration other cash on January 20, 2023:

| Sr. No | Names of Allottees | No. of Equity Shares allotted |
|--------|--------------------|-------------------------------|
| 1 | Mr. Waheed Nizami | 78,057 |
| | Total | 78,057 |

1. Our Shareholding Pattern

- a) The table below presents the current shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

| Category (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 Underlying Outstanding Securities (X) | Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XI) = (X)/(A+B+C) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) |
|--------------|--------------------------------|----------------------------|--|--|---|--|---|---|-------|-----------|-------------------------|--|--|----------------------------------|---------------------------------|---|---------------------------------|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No (a) | As a % of total Shares held (b) | No (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class-Equity | Class | Total | | | | | | | | |
| A | Promoters & Promoter Group | 5 | 52,50,785 | - | - | 52,50,785 | 100.00 | 52,50,785 | - | 52,50,785 | 100.00 | - | 100.00 | - | - | - | - | 51,72,728* |
| B | Public | 2 | 10 | - | - | 10 | 0.00 | 10 | - | 10 | 0.00 | - | 0.00 | - | - | - | - | 10 |
| C | Non Promoter Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| C1 | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| C2 | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 7 | 52,50,795 | - | - | 52,50,795 | 100.00 | 52,50,795 | - | 52,50,795 | 100.00 | - | 100.00 | - | - | - | - | 51,72,733* |

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

We have only one class of Equity Shares of face value of ₹ 10.00/- each.

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

* Our Company has applied with NSDL & CDSL for Corporate Action of 78,057 Equity Shares of Mr. Waheed Nazami, the same shall be completed before filing of the Red Herring Prospectus of the Company

I. Shareholding pattern of the Promoters and Promoter Group

| Category (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 Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding as a % assuming full 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 (XIV) |
|--------------|--|----------------------------|--|--|---|--|---|--|-------|-----------|-------------------------|--|--|--|--|--|--|--|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No (a) | As a % of total Shares held (b) | No (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class-Equity | Class | Total | | | | | | | | |
| 1) | Indian | | | | | | | | | | | | | | | | | |
| a | Individuals / Hindu undivided Family | 4 | 34,01,752 | - | - | 34,01,752 | 64.79 | 34,01,752 | - | 34,01,752 | 64.79 | - | 64.79 | - | - | - | - | 33,23,690 |
| | Mr. Khursheed Alam | 1 | 7,99,985 | - | - | 799,985 | 15.24 | 799,985 | - | 799,985 | 15.24 | - | 15.24 | - | - | - | - | 799,985 |
| | Mr. Mehboob Alam | 1 | 20,33,705 | - | - | 2,033,705 | 38.73 | 2,033,705 | - | 2,033,705 | 38.73 | - | 38.73 | - | - | - | - | 2,033,705 |
| | Mr. Waheed Nizami | 1 | 78,062 | - | - | 78,062 | 1.49 | 78,062 | - | 78,062 | 1.49 | - | 1.49 | - | - | - | - | 5 |
| | Mr. Shakir Khan | 1 | 4,90,000 | - | - | 4,90,000 | 9.33 | 4,90,000 | - | 4,90,000 | 9.33 | - | 9,33 | - | - | - | - | 4,90,000 |
| b | Central Government / State Government(s) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c | Financial Institutions / Banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| d | Any Other | 1 | 18,49,033 | - | - | 18,49,033 | 35.21 | 18,49,033 | | 18,49,033 | 35.21 | - | 35.21 | - | - | - | - | 18,49,033 |
| | M/s. Troupe Technologies Private Limited | 1 | 18,49,033 | - | - | 18,49,033 | 35.21 | 18,49,033 | | 18,49,033 | 35.21 | - | 35.21 | - | - | - | - | 18,49,033 |
| | Sub-Total (A)(1) | 5 | 52,50,785 | - | - | 52,50,785 | 100.00 | 52,50,785 | - | 52,50,785 | 100.00 | - | 100.00 | - | - | - | - | 51,72,728 # |
| 2) | Foreign | | | | | | | | | | | | | | | | | |

| Category (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 Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding as a % assuming full 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 (XIV) |
|--------------|--|----------------------------|--|--|---|---|---|---|-------|-----------|-------------------------|---|--|----------------------------------|---------------------------------|---|---------------------------------|---|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No (a) | As a % of total Shares held (b) | No (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class-Equity | Class | Total | | | | | | | | |
| a | Individuals (Non - Resident Individuals / Foreign Individuals) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Government | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| c | Institutions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| d | Foreign Portfolio Investor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| e | Any Other (specify) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Sub-Total (A) (2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Shareholding of Promoters and Promoter Group (A)= (A)(1) +(A)(2) | 5 | 52,50,785 | - | - | 52,50,785 | 100.00 | 52,50,785 | - | 52,50,785 | 100.00 | - | 100.00 | - | - | - | - | 51,72,728 # |

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

#Our Company has applied with NSDL & CDSL for Corporate Action of 78,057 Equity Shares of Mr. Waheed Nazami, the same shall be completed before filing of the Red Herring Prospectus of the Company

II. Shareholding pattern of the public shareholder

| Category (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 Underlying Outstanding convertible securities (as a % assuming full convertible 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 (XIV) | |
|--------------|--|----------------------------|--|--|---|--|---|--|-------------------------|-----------|--|--|--|--|--|---|--|---|
| | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | No (a) | As a % of total Shares held (b) | | No (a) | As a % of total Shares held (b) | | | | |
| | | | | | | Class-Equity | Class | Total | | | | | | | | | | |
| 1) | Institutions | | | | | | | | | | | | | | | | | |
| 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 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (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 Underlying Outstanding convertible securities (as a % assuming full convertible securities (as a percentage of diluted share capital) (XD)= (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 (XIV) | | |
|--------------|---|----------------------------|--|--|---|--|---|---|-------------------------|--------|---------------------------------|---|----------------------------------|---|---------------------------------|---|---|----|
| | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | No (a) | As a % of total Shares held (b) | | | No (a) | As a % of total Shares held (b) | | | |
| | | | | | | Class-Equity | Class | Total | | | | | | | | | | |
| h | Provident Funds / Pension Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| i | Any Other (specify) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Sub-Total (B)(1) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 2) | Central Government / State Government(s) / President of India | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Sub-Total (B)(2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 3) | Non institutions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| a | Individuals | | | | | | | | | | | | | | | | | |
| | i. Individual shareholders holding nominal share capital up to ₹ 2 lakhs. | 2 | 10 | - | - | 10 | Negligible | 10 | - | 10 | Negligible | - | Negligible | - | - | - | - | 10 |

| Category (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 Underlying Outstanding convertible securities (as a % of diluted share capital) (XD)= (VII)+(X) As a % of (A+B+C2) | Shareholding as a % assuming full convertible securities (as a percentage of diluted share capital) (XD)= (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 (XIV) |
|--------------|---|----------------------------|--|--|---|---|---|---|-------------------------|--------|---------------------------------|---|--|----------------------------------|---------------------------------|---|---|---|
| | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | No (a) | As a % of total Shares held (b) | | | No (a) | As a % of total Shares held (b) | | | |
| | | | | | | Class-Equity | Class | Total | | | | | | | | | | |
| | Mr. Fahad Patel | 1 | 5 | - | - | 5 | Negligible | 5 | - | 5 | Negligible | - | Negligible | - | - | - | - | 5 |
| | Mr. Rajesh Kumar | 1 | 5 | - | - | 5 | Negligible | 5 | - | 5 | Negligible | - | Negligible | - | - | - | - | 5 |
| | | | | | | | | | | | | | | | | | | |
| | ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | NBFCs registered with RBI | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| b | Overseas Depositories (Holding DRs) (Balancing figure) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (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 Underlying Outstanding convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Shareholding as a % assuming full 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 (XIV) |
|--------------|--|----------------------------|--|--|---|--|---|--|-------|-------|-------------------------|--|--|--|--|--|--|--|
| | | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | | | No (a) | As a % of total Shares held (b) | No (a) | As a % of total Shares held (b) | |
| | | | | | | | | Class-Equity | Class | Total | | | | | | | | |
| c | Any Other Body Corporate | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| d | Sub-Total (B)(3) | 2 | 10 | - | - | 10 | 0.00 | 10 | - | 10 | 0.00 | - | 0.00 | - | - | - | - | 10 |
| e | Total Public Shareholding (B)= (B)(1) + (B)(2) + (B)(3) | 2 | 10 | - | - | 10 | 0.00 | 10 | - | 10 | 0.00 | - | 0.00 | - | - | - | - | 10 |

I. Shareholding pattern of the Non-Promoter- Non-Public shareholder

| | 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 Underlying Outstanding convertible securities (including Warrants) (X) | Shareholding as a % assuming full 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 (XIV) |
|----|---|----------------------------|--|--|---|---|---|---|-------|-------------------------|--------|---|--|----------------------------------|--------|---|---|---|
| | | | | | | | No of Voting Rights | | | Total as a % of (A+B+C) | No (a) | | | As a % of total Shares held (b) | No (a) | As a % of total Shares held (b) | | |
| | | | | | | | Class-Equity | Class | Total | | | | | | | | | |
| 1) | Custodian / DR Holder | | | | | | | | | | | | | | | | | |
| | Name of Holder (if available) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Sub Total (c) (1) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2) | Employee Benefit Trust under SEBI (Share based Employee Benefit) Regulations, 2014) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Sub Total (C) (2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Non - Promoter Non-Public shareholding (C) = (C) (1) + (C) (2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

a) Equity Shareholding of Directors and Key Managerial Personnel in our Company:

Except as stated below, none of our Directors or Key Managerial Personnel hold any Equity Shares in our Company:

| Sr. No. | Name of Shareholder | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of Post-Issue Capital |
|---------|---------------------|----------------------|------------------------|----------------------|-------------------------|
| 1 | Mr. Khursheed Alam | 799,985 | 15.24 | 799,985 | 11.17 |
| 2 | Mr. Mehboob Alam | 2,033,705 | 38.73 | 2,033,705 | 28.41 |
| 3 | Mr. Shakir Khan | 490,000 | 9.33 | 490,000 | 6.84 |
| | Total | 3,323,690 | 63.30 | 3,323,690 | 46.43 |

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

| Sr. No. | Name of Shareholder | No. of Equity Shares* | % of Pre-Issue Capital |
|---------|--|-----------------------|------------------------|
| 1 | Mr. Khursheed Alam | 799,985 | 15.24 |
| 2 | Mr. Mehboob Alam | 2,033,705 | 38.73 |
| 3 | M/s. Troupe Technologies Private Limited | 1,849,033 | 35.21 |
| 4 | Mr. Waheed Nizami | 78,062 | 1.49 |
| 5 | Mr. Shakir Khan | 490,000 | 9.33 |
| | Total | 5,250,795 | 100.00% |

c) List of shareholders holding 1% or more of the paid-up capital of our company as on date ten days prior to the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of Shareholder | No. of Equity Shares* | % of Pre-Issue Capital |
|---------|--|-----------------------|------------------------|
| 1 | Mr. Khursheed Alam | 799,985 | 15.24 |
| 2 | Mr. Mehboob Alam | 2,033,705 | 38.73 |
| 3 | M/s. Troupe Technologies Private Limited | 1,849,033 | 35.21 |
| 4 | Mr. Waheed Nizami | 78,062 | 1.49 |
| 5 | Mr. Shakir Khan | 490,000 | 9.33 |
| | Total | 5,250,795 | 100.00% |

d) List of shareholders holding 1% or more of the paid-up capital of our company as on date one year prior to the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of Shareholder | No. of Equity Shares | % of Pre-Issue Capital |
|---------|--|----------------------|------------------------|
| 1 | Mr. Khursheed Alam | 800,000 | 15.47% |
| 2 | Mr. Mehboob Alam | 2,033,705 | 39.32% |
| 3 | Mr. Shakir Khan | 490,000 | 9.47% |
| 4 | M/s. Troupe Technologies Private Limited | 1,849,033 | 35.75% |
| | Total | 5,172,738 | 100.00% |

e) List of shareholders holding 1% or more of the paid-up capital of our company as on date two year prior to the date of this Draft Red Herring Prospectus:

| Sr. No. | Name of shareholder | No. of Equity Shares | % of Pre-Issue Capital |
|---------|--|----------------------|------------------------|
| 1 | Mr. Khursheed Alam | 800,000 | 15.47% |
| 2 | Mr. Mehboob Alam | 2,033,705 | 39.32% |
| 3 | Mr. Shakir Khan | 490,000 | 9.47% |
| 4 | M/s. Troupe Technologies Private Limited | 1,849,033 | 35.75% |
| | Total | 5,172,738 | 100.00% |

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

3. Our Company has not made any public issue (including any rights issue to the public) since its incorporation.

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

6. Details of our Promoters Shareholding

As on the date of this Draft Red Herring Prospectus, our Promoters M/s. Troupe Technologies Private Limited, Mr. Khursheed Alam and Mr. Mehboob Alam hold 89.18% of the pre-issued, subscribed and paid-up Equity Share capital of our Company.

Build-up of our Promoter's shareholding in Our Company

Mr. Khursheed Alam

| Date of Allotment / Transfer | Number of Equity Shares | Face Value (₹) | Issue / Acquisition / Transfer Price (₹) | Nature of Consideration | Cash | % of pre-Issue equity share capital | % of post Issue equity share capital |
|------------------------------|-------------------------|----------------|--|-------------------------------|-----------------|-------------------------------------|--------------------------------------|
| March 22, 2017 | 2,500 | 10.00 | 10.00 | Subscription to MoA | Cash | 0.04 | 0.03 |
| March 19, 2018 | 402,500 | 10.00 | 10.00 | Private Placement | Cash | 6.71 | 4.93 |
| November 19, 2018 | 5,000 | 10.00 | 10.00 | Private Placement | Cash | 0.08 | 0.06 |
| August 19, 2019 | 390,000 | 10.00 | 10.00 | Private Placement | Other Than Cash | 6.50 | 4.77 |
| October 30, 2022 | -5 | 10.00 | 0.00 | Transfer to Mr. Waheed Nizami | Other Than Cash | -0.00 | 0.00 |
| October 30, 2022 | -5 | 10.00 | 0.00 | Transfer to Mr. Fahad Patel | Other Than Cash | -0.00 | 0.00 |
| October 30, 2022 | -5 | 10.00 | 0.00 | Transfer to Mr. Rajesh Kumar | Other Than Cash | -0.00 | 0.00 |
| Total | 799,985 | | | | | 15.24 | 11.17 |

Mr. Mehboob Alam

| Date of Allotment / Transfer | Number of Equity Shares | Face Value (₹) | Issue / Acquisition / Transfer Price (₹) | Nature of Consideration | Cash | % of pre-Issue equity share capital | % of post Issue equity share capital |
|------------------------------|-------------------------|----------------|--|-------------------------|------|-------------------------------------|--------------------------------------|
| March 22, 2017 | 5,000 | 10.00 | 10.00 | Subscription to MoA | Cash | 0.08 | 0.06 |
| March 19, 2018 | 995,000 | 10.00 | 10.00 | Private Placement | Cash | 16.58 | 12.18 |
| November 19, 2018 | 783,126 | 10.00 | 10.00 | Private Placement | Cash | 13.05 | 9.59 |
| August 19, 2019 | 250,579 | 10.00 | 10.00 | Private Placement | Cash | 4.18 | 3.07 |
| Total | 2,033,705 | | | | | 38.73 | 28.41 |

M/s. Troupe Technologies Private Limited

| Date of Allotment / Transfer | Number of Equity Shares | Face Value (₹) | Issue / Acquisition / Transfer Price (₹) | Nature of Consideration | Cash | % of pre-Issue equity share capital | % of post Issue equity share capital |
|------------------------------|-------------------------|----------------|--|-------------------------------|-----------------|-------------------------------------|--------------------------------------|
| December 02, 2021 | 1,849,033 | 10.00 | 12.00 | Preferential Issue-Slump Sale | Other Than Cash | 35.21 | 25.83 |

Notes:

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

The shareholding pattern of our Promoters and Promoter Group before and after the Issue is set forth below:

| Sr. No. | Particulars | Pre-Issue | | Post-Issue | |
|-----------|--|------------------|---------------|------------------|--------------|
| | | No. of Shares | % Holding | No. of Shares | % Holding |
| A) | Promoters | | | | |
| 1 | M/s. Troupe Technologies Private Limited | 18,49,033 | 35.21 | 18,49,033 | 25.83 |
| 2 | Mr. Khursheed Alam | 7,99,985 | 15.24 | 7,99,985 | 11.17 |
| 3 | Mr. Mehboob Alam | 20,33,705 | 38.73 | 20,33,705 | 28.41 |
| | Total (A) | 46,82,723 | 89.18 | 6,82,723 | 65.41 |
| B) | Promoter Group | | | | |
| 1. | Mr. Waheed Nizami | 78,062 | 1.49 | 78,062 | 1.09 |
| 2. | Mr. Shakir Khan | 4,90,000 | 9.33 | 4,90,000 | 6.84 |
| | Total (B) | 5,68,062 | 10.82 | 5,68,062 | 7.94 |
| | Total (A+B) | 52,50,785 | 100.00 | 52,50,785 | 73.35 |

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

| Sr. No. | Name of the Promoters | No. of Shares held | Average cost of Acquisition (in ₹) |
|---------|--|--------------------|------------------------------------|
| 1. | M/s. Troupe Technologies Private Limited | 18,49,033 | 12.00 |
| 2. | Mr. Khursheed Alam | 7,99,985 | 10.00 |
| 3. | Mr. Mehboob Alam | 20,33,705 | 10.00 |

- We have 7 (Seven) Shareholders as on the date of this Draft Red Herring Prospectus
- We hereby confirm that

Except as stated below, there has been no acquisition, sale or transfer of Equity Shares by our Promoters, Promoter Group, Directors and their immediate relatives in the last 6 months preceding the date of filing of this Draft Red Herring Prospectus:

| Date of Allotment / Transfer | Name of Shareholder | No. of Equity Shares allotted / Transferred / Acquired | % of Pre-Issue Capital | Subscribed / Acquired / Transfer | Category of Allottees (Promoters / Promoter Group / Relatives) |
|------------------------------|---------------------|--|------------------------|----------------------------------|--|
| October 30, 2022 | Mr. Khursheed Alam | (5) | Negligible | Transfer to Mr. Waheed Nizami | Promoter to Promoter Group |
| October 30, 2022 | Mr. Khursheed Alam | (5) | Negligible | Transfer to Mr. Fahad Patel | Promoter to Public |

| | | | | | |
|------------------|--------------------|--------|------------|------------------------------|--------------------|
| October 30, 2022 | Mr. Khursheed Alam | (5) | Negligible | Transfer to Mr. Rajesh Kumar | Promoter to Public |
| January 20, 2023 | Mr. Waheed Nizami | 78,057 | 1.49 | Subscribed- Loan to Equity | Promoter Group |

No financing arrangements have been entered into by the members of the Promoter Group, the Directors, or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

10. Details of Promoters' Contribution and Lock-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("Promoter's Contribution") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 46,82,723 Equity Shares constituting 89.18% of the Post – Issued, subscribed and paid-up Equity Share Capital of our Company, which are eligible for the Promoter's contribution.

Our Promoters have given written consent to include 14,31,759 Equity Shares held by them and subscribed by them as part of Promoter's Contribution constituting 20.00% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's contribution, for a period of three years from the date of allotment in the Issue.

| Date of Allotment / transfer and made fully paid up | No. of Equity Shares locked in | Face Value Per Share (₹) | Issue / Acquisition / Transfer Price (₹) | Nature of transaction | Post-Issue Shareholding %* | Lock in Period |
|---|--------------------------------|--------------------------|--|-----------------------|----------------------------|----------------|
| Mr. Khursheed Alam | | | | | | |
| March 22, 2017 | 2,500 | 10.00 | 10.00 | Subscription to MoA | 0.03 | 3 years |
| March 19, 2018 | 242,098 | 10.00 | 10.00 | Private Placement | 3.38 | 3 years |
| Total | 244,598 | | | | 3.42 | |

*Assuming full subscription to the Issue.

| Date of Allotment / transfer and made fully paid up | No. of Equity Shares locked in | Face Value Per Share (₹) | Issue / Acquisition / Transfer Price (₹) | Nature of transaction | Post-Issue Shareholding %* | Lock in Period |
|---|--------------------------------|--------------------------|--|-----------------------|----------------------------|----------------|
| Mr. Mehboob Alam | | | | | | |
| March 22, 2017 | 5,000 | 10.00 | 10.00 | Subscription to MoA | 0.07 | 3 years |
| March 19, 2018 | 6,16,812 | 10.00 | 10.00 | Private Placement | 8.62 | 3 years |
| Total | 6,21,812 | | | | 8.69 | |

*Assuming full subscription to the Issue.

| Date of Allotment / transfer and made fully paid up | No. of Equity Shares locked in | Face Value Per Share (₹) | Issue / Acquisition / Transfer Price (₹) | Nature of transaction | Post-Issue Shareholding %* | Lock in Period |
|---|--------------------------------|--------------------------|--|---|----------------------------|----------------|
| M/s. Troupe Technologies Private Limited | | | | | | |
| December 2, 2021 | 5,65,348 | 10.00 | 12.00 | Preferential Issue by way of Slump Sale | 7.90 | 3 years |
| Total | 5,65,348 | | | | 7.90 | |

*Assuming full subscription to the Issue.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Promoters' Contribution under Regulation 237 of the SEBI (ICDR) Regulations, 2018. In this computation, as per Regulation 237 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares locked-in do not, and shall not, consist of:

- a) The Equity Shares offered for minimum 20% Promoter's Contribution have not been acquired in the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets nor resulted from a bonus issue out of the revaluation reserves or unrealized profits of the Company or against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;
- b) The minimum Promoter's contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price;
- c) No equity shares have been issued to our Promoters upon conversion of a partnership firm during the preceding one year at a price less than the Issue Price;
- d) The Equity Shares held by the Promoters and offered for minimum Promoter's contribution are not subject to any pledge;
- e) Except as mentioned above, All the Equity Shares of our Company held by the Promoters are in dematerialized form and
- f) The Equity Shares offered for Promoter's contribution do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of its subscription in the Promoter contribution subject to lock-in.

We further confirm that our Promoter's Contribution of 20% of the Post Issue Equity does not include any contribution from Alternative Investment Funds or FVCI or Scheduled Commercial Banks or Public Financial Institutions or Insurance Companies.

11. Equity Shares locked-in for one year other than Minimum Promoter Contribution

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoter's contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 38,19,036 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription 'non-transferable' along with the 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.

12. Inscription or Recording of non-transferability

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

13. Pledge of Locked in Equity Shares

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoter can be pledged with any scheduled commercial bank or public financial institution or systematically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

if the equity shares are locked-in in terms of clause (a) of Regulation 238, the loan has been granted to the company or its subsidiary(ies) for the purpose of financing one or more of the objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan;

if the specified securities are locked-in in terms of clause (b) of Regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

14. Transferability of Locked in Equity Shares

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of SEBI (SAST) Regulations, 2011 as applicable;

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

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

15. Our Company, our Directors and the Book Running Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
16. As on date of this Draft Red Herring Prospectus, there are no partly paid-up equity shares and all the Equity Shares of our Company are fully paid up. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
17. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
18. As on the date of this Draft Red Herring Prospectus, the Book Running Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Book Running Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
19. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed under "Basis of Allotment" in the chapter titled "**Issue Procedure**" beginning on page 201 of this Draft Red Herring Prospectus. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 253 (2) of SEBI (ICDR) Regulations, as amended from time to time.
20. An over-subscription to the extent of 10% 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 10% of the Issue, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
21. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
22. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
23. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
24. 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.
25. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
26. There are no Equity Shares against which depository receipts have been issued.
27. As per RBI regulations, OCBs are not allowed to participate in this issue

28. This Issue is being made through Book Built Issue
29. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. No payment, direct or indirect in the nature of discount, commission, allowances or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
30. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
31. None of our Promoters and Promoter Group will participate in the Issue.

Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Draft Red Herring Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.

SECTION VII: PARTICULARS OF THE ISSUE**OBJECTS OF THE ISSUE**

The Issue includes a fresh Issue of upto 19,08,000 Equity Shares of our Company at an Issue Price of ₹ [●] (Floor Price) to ₹ [●] (Cap Price) per Equity Share.

Fresh Issue

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

| (₹ in Lakhs) | |
|-------------------------------------|--------|
| Particulars | Amount |
| Gross Proceeds from the Fresh Issue | [●] |
| Less: Issue related expenses | 136.01 |
| Net Proceeds of the Fresh Issue | [●] |

Requirement of Funds

Our Company intends to utilize the Net Fresh Issue Proceeds for the following Objects (“Objects of the Issue”):

- a) Working Capital Requirements
- b) General Corporate Purposes

In addition to the aforementioned objects, our Company intends to strengthen its capital base and expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including among other things, enhancing the visibility of our brand and our Company among our existing and potential customers.

We believe that listing will enhance our corporate image and brand name and create a public market for Equity Share of our Company in India and will further enable us to avail future growth opportunities. We are a manufacturer of an extensive array of Air Coolers and Electric Geysers. Our Company is Original Equipment Manufacturers (OEMs) of Air Coolers and Electric Geysers in India. Designed by the use of quality resources, our product range is appreciated by our customers owing to their lightweight, easy to use, customized size, reasonable price and long-term durability. We work with extreme enthusiasm and assure to accomplish great customer satisfaction by offering a high-quality range of Air coolers and Electric Geysers as per their specific needs. In order to convene the accurate needs of clients in the most flourishing way, we offer our products with standard and customized specifications. Backed by a team of experienced staff, we have been able to meet the precise needs of our clients. Owing to our ethical business policies, high-quality products range and reasonable prices, we have increased the number of our satisfied clients.

Utilization of Net Fresh Issue Proceeds

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

| (₹ in lakhs) | | | |
|--------------|------------------------------|-----------------------------|---|
| Sr. No. | Particulars | Total Estimated Expenditure | Estimated deployment of Net Proceeds by the Financial Year ended March 31, 2023 |
| 1 | Working Capital Requirements | Upto 800.00 | Upto 800.00 |
| 2 | General Corporate Purposes | [●] | [●] |
| | Total | [●] | [●] |

Means of Finance:

The above-mentioned fund requirement will be met from the proceeds of the Issue. We intend to fund the shortfall, if any, from internal accruals.

Since the fund requirements set out for the aforesaid Objects of the Issue are proposed to be met entirely from the Net Proceeds and internal accruals. Accordingly, we confirm that we are in compliance with the requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI (ICDR) Regulations, 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Net Proceeds and existing identifiable internal accruals.

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution or any other independent agency. 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.

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 chapter titled "**Risk Factors**" beginning on page 26 of this Draft Red Herring Prospectus.

1) To Meet Working Capital Requirements

Our business is working capital intensive. We finance our working capital requirement from our internal accruals. Considering the existing and future growth, the incremental working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹ [●] Lakhs for FY 2022-2023. We intend to meet our working capital requirements to the extent of upto ₹ 800.00 Lakhs from the Net Proceeds of this Issue and the balance will be met from internal accruals at an appropriate time as per the requirement.

Basis of estimation of working capital

The details of our Company's composition of working capital as at August 31, 2022 and March 31, 2023 based on the Restated Summary Statements and working capital estimates. Further the source of funding of the same are as set out in the table below:

| (₹ in lakhs) | | |
|---------------------------------------|-----------------|----------------|
| Particulars | August 31, 2022 | March 31, 2023 |
| | Restated | Estimated |
| Current Assets | | |
| Inventories | 1,226.29 | [●] |
| Trade Receivables | 441.53 | [●] |
| Cash and Cash Equivalents | 35.56 | [●] |
| Short Term Loans & Advances | 1.60 | [●] |
| Other Current Assets | 79.35 | [●] |
| Total (I) | 1,784.32 | [●] |
| Current Liabilities | | |
| Trade Payables | 419.67 | [●] |
| Other Current Liabilities | 89.98 | [●] |
| Short Term Borrowings | 773.61 | [●] |
| Short Term Provisions | 67.78 | [●] |
| Total (II) | 1,351.04 | [●] |
| Net Working Capital (I) – (II) | 433.28 | [●] |
| Incremental Working Capital | | |
| Funding Pattern: | | |
| Internal Accruals | | [●] |
| Part of the IPO Proceeds | | Upto 800.00 |

Assumptions for working capital requirement

Assumptions for Holding Levels

(In days)

| Particulars | Holding level as on August 31, 2022 | Holding level as on March 31, 2023 |
|----------------------------|-------------------------------------|------------------------------------|
| Current Assets | | |
| Inventories | 71 | [●] |
| Trade Receivables | 103 | [●] |
| Current Liabilities | | |
| Trade Payables | 161 | [●] |

Justification for Holding Period Levels

| Particulars | Detail |
|-------------------|---|
| Inventories | We have assumed average inventories holding level of [●] days in the financial year 2022-2023 as per the requirement of our business. |
| Trade Receivables | We have assumed trade receivables credit period of [●] days in the financial year 2022-23 due to better management control. |
| Trade Payables | We have assumed trade payables credit period of [●] days for the financial year 2022-23 due to better management control. |

Pursuant to the certificate dated February 17, 2023, N B T & Co., Chartered Accountants, have verified the working capital requirements for the period ended on August 31, 2022 from the Restated Financial Information and working capital estimates for the financial year 2022-23 as approved by the Board pursuant to its resolution dated February 17, 2023.

2) General Corporate Purposes

The Net Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance Net Fresh Issue Proceeds of ₹ [●] Lakhs is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI (ICDR) Regulations, 2018. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) Strategic initiatives
- (ii) Brand building and strengthening of marketing activities; and
- (iii) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

Proposed Year wise Deployment of Funds / Schedule of Implementation

The entire Net Fresh Issue Proceeds are proposed to be deployed in the Financial Year 2022 – 23.

Public Issue Expense

The estimated Issue related expenses include Issue Management Fee, Marketing 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 ₹ 136.01 Lakhs. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

| Particulars | Expenses | % of Total Issue Expenses | % of Total Issue size |
|--|-------------|---------------------------|-----------------------|
| | (₹ In Lakh) | | |
| Payment to the Book Running Lead Manager | 18.01 | 13.24% | [●] |
| Underwriting Fees | 100.00 | 73.52% | [●] |
| Market Making Fees | 3.00 | 2.21% | [●] |

| | | | |
|---|---------------|----------------|------------|
| Fees payable to Registrar to Issue | 0.50 | 0.37% | [●] |
| Fees to Legal Advisor | 1.25 | 0.92% | [●] |
| Advertisement Expenses | 0.80 | 0.59% | [●] |
| Fees payable to Regulators including Stock Exchange | 1.70 | 1.25% | [●] |
| Printing & Distribution Expenses | 0.75 | 0.55% | [●] |
| Marketing & Selling Expenses | 8.00 | 5.88% | [●] |
| Payment to Sponsor Bank | 0.50 | 0.37% | [●] |
| Statutory & Other Reports | 1.50 | 1.10% | [●] |
| Total | 136.01 | 100.00% | [●] |

*** SCSBs will be entitled to a processing fee of ₹ [●] per Application Form for processing of the Application Forms procured by other Application Collecting Intermediary and submitted to them.*

Selling commission payable to Registered broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Applicants and Non-Institutional Applicants, would be [●]% on the Allotment Amount# or ₹[●] whichever is less on the Applications wherein shares are allotted.

The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.

#Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

Appraisal by Appraising Fund

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

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. However, we may draw down such amounts, as may be required, from an overdraft arrangement/ cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Monitoring Utilization of Funds

As the size of the Fresh Issue does not exceed ₹10,000 Lakhs, in terms of Regulation 262 of the SEBI (ICDR) Regulations, 2018, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

Pursuant to Regulation 32 of the SEBI (LODR) Regulation, 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 Year, we will utilize such unutilized amount in the next financial year. Further, in accordance with Regulation 32(1)(a) of the SEBI (LODR) Regulation, 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.

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 13(8) and 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 through a postal ballot. Further, pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half- yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (“Postal Ballot Notice”) shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

Other Confirmations

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company’s Key Managerial Personnel in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel except in the normal course of business and in compliance with the applicable laws.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the chapter titled “Risk Factors”, the details about our Company under the chapter titled “Our Business” and its financial statements under the chapter titled “Financial Statements as Restated” beginning on pages 26, 99 and 149 respectively, to have an informed view before making an investment decision.

The Price Band will be determined by our Company in consultation with the BRLM, and the Issue Price will be determined by our Company in consultation with the BRLM, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each, the Issue Floor Price is ₹ [●] which is [●] times the face value at the lower end of the Price Band, and the Issue Cap Price is ₹ [●] which is [●] times the face value at the higher end of the Price Band. Investors should refer to “**Risk Factors**”, “**Our Business**”, “**Restated Financial Information**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 26, 99, 149 and 150, respectively, to have an informed view before making an investment decision.

Qualitative Factors

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

1. Focus on Increase in Volume of Sales
2. Continue to strive for cost efficiency
3. Focus on consistently meeting quality standards
4. Increase Brand awareness
5. Strategic Acquisition and Alliance Opportunities

For further details, see “**Risk Factors**” and “**Our Business**” beginning on pages 26 and 99 respectively.

Quantitative Factors

Some of the information presented in this chapter is derived from the Restated Financial Information. For further information, see “**Financial Information**” beginning on page 149

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

Basic Earnings and Diluted Earnings per Equity Share (EPS) as per Accounting Standard 20

As per Restated Financial Statements

| Period | Basic and Diluted EPS (in ₹) | Weight |
|---|------------------------------|--------|
| March 31, 2020 | 1.37 | 1 |
| March 31, 2021 | 0.61 | 2 |
| March 31, 2022 | 0.99 | 3 |
| Weighted Average | 0.93 | |
| For the Period from April 01, 2022 to August 31, 2022 (Not annualized) | 1.94 | |

*Notes:

1. *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.*
2. *The ratios have been computed as below:*
 - *Basic EPS is calculated as Profit/(loss) for the year/period attributable to owners of parent divided by the adjusted weighted average number basic equity shares outstanding during the year/period.*
 - *Diluted EPS is calculated as Profit/(loss) for the year/period attributable to owners of parent divided by the adjusted weighted average number of adjusted diluted equity shares outstanding during the year/period.*
3. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares issued during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.*
4. *Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. {(EPS x Weight) for each year} / {Total of weights}.*

For further details, see “**Financial Information**” beginning on page 149 of this Draft Red Herring Prospectus.

Price/Earning (“P/E”) Ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share :

| Particulars | P/E at Floor Price (no. of times) | P/E at Cap Price (no. of times) |
|--|-----------------------------------|---------------------------------|
| Based on Restated Financial Statements | | |
| P/E ratio based on the Basic & Diluted EPS, as restated for FY 2021-22 | [●] | [●] |
| P/E ratio based on the Weighted Average Basic & Diluted EPS | [●] | [●] |

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

Return on Net Worth as per Restated Financial Statements

| Period | RONW (%) | Weight |
|---|--------------|--------|
| March 31, 2020 | 14.25 | 1 |
| March 31, 2021 | 8.36 | 2 |
| March 31, 2022 | 7.72 | 3 |
| Weighted Average | 9.02 | |
| For the Period from April 01, 2022 to August 31, 2022 (Not annualized) | 16.66 | |

Note: The RONW has been computed by dividing net profit after tax (as restated), by Net worth (as restated) as at the end of the year.

As per Restated Financial Statements:

Minimum return on Post Issue Net Worth to maintain the Pre-Issue EPS for the financial year ended on March 31, 2022- [●] %.

Net Asset Value (NAV) per Equity Share**As per Restated Financial Statements**

| Sr. No. | Particulars | On the basis of Restated Financial Statements (₹) |
|---------|---|---|
| a) | As on March 31, 2020 | 9.58 |
| b) | As on March 31, 2021 | 7.27 |
| c) | As on March 31, 2022 | 12.78 |
| d) | For the Period from April 01, 2022 to August 31, 2022 (Not annualized) | 11.65 |
| e) | Net Asset Value per Equity Share after the Issue at Issue Price | |
| | -At the lower end of the price band of ₹ [●] | [●] |
| | -At the higher end of the price band of ₹ [●] | [●] |
| f) | Issue Price | [●] |

Notes:

- NAV has been calculated as Net worth divided by number of Equity Shares at the end of the year.
- Net asset value per equity share = net worth attributable to the owners of the parent as at the end of the year/period divided by adjusted number of equity shares outstanding as at the end of year/period.
- Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of statement of profit and loss, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off and non-controlling interest, as per the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- Net Worth and the number of equity shares as at the end of the year/period have been adjusted to give effect to the consequent increase in share capital on the assumption that options outstanding to subscribe for additional equity capital (i.e. outstanding share warrants and employee stock options), wherever applicable, were exercised in the respective financial year/period. The computation considering aforementioned effects has been carried out in accordance with the requirements of SEBI ICDR Regulations and therefore the net worth and the number of equity shares outstanding as at the end of the year/period has not been derived from Restated Financial Information.

For further details, see “**Financial Information**” beginning on page 149 of this Draft Red Herring Prospectus.

Peer Group Comparison of Accounting Ratios:

| Particulars | CMP | EPS (₹) | PE Ratio | RONW (%) | NAV (₹) | Face Value (₹) | Revenue from Operations (₹ in Lakh) |
|------------------------------------|----------|------------|-------------|-------------|------------|----------------------|---|
| Comrade Appliances Limited | [●]* | 0.99 | [●] | 7.71 | 12.78 | 10.00 | 2,964.89 |
| Peer Group ** | | | | | | | |
| Dixon Technologies (India) Limited | 2,805.00 | 25.63 | 104.72 | 21.90 | 155.41 | 2.00 | 7,48,441.00 |
| PG Electroplast Limited | 1,340.00 | 15.93 | 85.13 | 14.82 | 145.12 | 10.00 | 1,02,193.77 |

* CMP for our Company is considered as Issue Price

** Source: www.bseindia.com.

Notes:

- (i) The figures of Comrade Appliances Limited are based on financial statements as restated as on March 31, 2022.
- (ii) Considering the nature and size of business of the Company, the peers are not strictly comparable. However same have been included for broad comparison.
- (iii) Current Market Price (CMP) is the closing price of peer group scrips as on February 26, 2023.
- (iv) The figures for the peer group are based on the standalone audited financials for the year ended March 31, 2022.

The face value of our share is ₹10.00 per share and the Issue Price is of ₹[●] per share are [●] times of the face value.

The Company in consultation with the Book Running Lead Manager believes that the Issue Price of ₹[●] per share for the Public Issue is justified in view of the above parameters. Investor should read the above-mentioned information along with the chapter titled “**Risk Factors**” beginning on page 26 of this Draft Red Herring Prospectus and the financials of our Company including important profitability and return ratios, as set out in the chapter titled “**Financial Statements as Restated**” beginning on page 149 of this Draft Red Herring Prospectus.

STATEMENT OF SPECIAL TAX BENEFITS

To
The Board of Directors
COMRADE APPLIANCES LIMITED
 Shop No.39, Ground level I,
 Deewan Centre, 183-186,
 S.V. Road, Jogeshwari West,
 Mumbai-400 102, Maharashtra, India

Dear Sir/Madam,

Sub: Statement of Possible Special Tax Benefits (“the Statement”) available to COMRADE APPLIANCES LIMITED (“the Company”) and its shareholders prepared in accordance with the requirements in Point No. 9 (L) of Part A of Schedule VI of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“the Regulations”).

We hereby report that the enclosed Annexure 1 and 2 (together “the Annexures”), prepared by Comrade Appliances 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 2022-23 relevant to the assessment year 2023-24, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), as amended by the Finance Act 2022, circular and notifications issued from time to time, i.e., applicable for the Financial Year 2022-23 relevant to the assessment year 2023-24, presently in force in India (together, the “Tax Laws”). The Statement has been prepared by the management of the Company in connection with the proposed Public Issue, which we have initialed for identification purposes only.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the said relevant provisions of the tax laws and regulations applicable to the Company. Hence, the ability of the Company or its shareholders to derive the special tax benefits, if any, is dependent upon fulfilling such conditions, which based on business imperatives, which the Company may or may not choose to fulfill or face in the future.

The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. Further, the Preparation of enclosed statement and the contents stated therein is not exhaustive and is the responsibility of the Company’s management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed issue, particularly in view of ever-changing tax laws in India. Further, we give no assurance that the income tax authorities/ other indirect tax authorities/courts will concur with our views expressed herein.

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

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

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

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

Our views are based on facts indicated to us, the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any such events subsequent, which may have a material effect on the discussions herein. Our views are exclusively for the limited use of the captioned Company in connection with its proposed public issue referred to herein above and shall not, without our prior written consent, be disclosed to any other person.

We shall not be liable to Company for 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 of intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate along with the annexure 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 Red Herring Prospectus / Red Herring Prospectus / Prospectus in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our written consent.

**For NBT & Co.
Chartered Accountants,
Firm Registration No.: 140489W**

**Sd/-
Ashutosh Biyani
Partner
Membership No.: 165017
UDIN: 23165017BGXETL9252**

**Place: Mumbai
Date: February 17, 2023**

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO COMRADE APPLIANCES LIMITED (“THE COMPANY”) AND IT’S SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2022-2023. 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.

1. Special Tax Benefits to the Company

There are no Special tax benefits available to the Company.

2. Special Tax Benefits available to the shareholders of the Company

There are no Special tax benefits available to the shareholders of the Company.

Notes:

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.
3. The above statement of possible special tax benefits are as per the current direct tax laws relevant for the F.Y.2022-2023 relevant to A.Y. 2023-2024.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

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

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 offer document.

**For NBT & Co.
Chartered Accountants,
Firm Registration No.: 140489W**

**Sd/-
Ashutosh Biyani
Partner
Membership No.: 165017
UDIN: 23165017BGXETL9252**

**Place: Mumbai
Date: February 17, 2023**

SECTION VIII: ABOUT THE ISSUER 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. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

GLOBAL ECONOMY AT LARGE

- Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024. The forecast for 2023 is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook (WEO) but below the historical (2000–19) average of 3.8 percent. The rise in central bank rates to fight inflation and Russia’s war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic (2017–19) levels of about 3.5 percent.
- The balance of risks remains tilted to the downside, but adverse risks have moderated since the October 2022 WEO. On the upside, a stronger boost from pent-up demand in numerous economies or a faster fall in inflation are plausible. On the downside, severe health outcomes in China could hold back the recovery, Russia’s war in Ukraine could escalate, and tighter global financing conditions could worsen debt distress. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress.
- In most economies, amid the cost-of-living crisis, the priority remains achieving sustained disinflation. With tighter monetary conditions and lower growth potentially affecting financial and debt stability, it is necessary to deploy macroprudential tools and strengthen debt restructuring frameworks. Accelerating COVID-19 vaccinations in China would safeguard the recovery, with positive cross-border spillovers. Fiscal support should be better targeted at those most affected by elevated food and energy prices, and broad-based fiscal relief measures should be withdrawn. Stronger multilateral cooperation is essential to preserve the gains from the rules-based multilateral system and to mitigate climate change by limiting emissions and raising green investment.

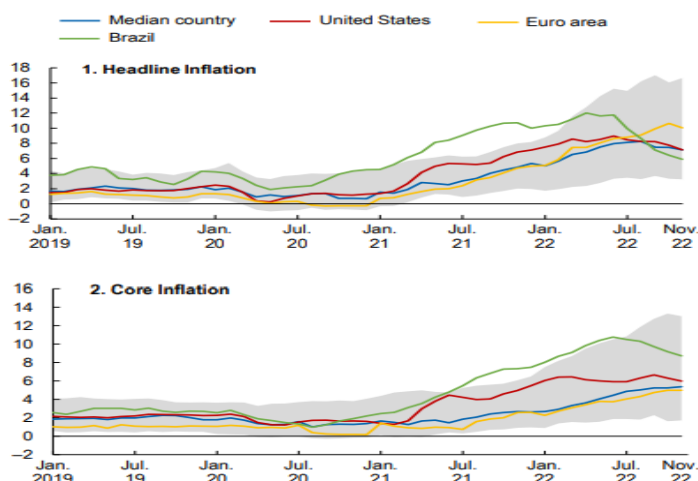
FORCES SHAPING THE OUTLOOK

The global fight against inflation, Russia’s war in Ukraine, and a resurgence of COVID-19 in China weighed on global economic activity in 2022, and the first two factors will continue to do so in 2023. Despite these headwinds, real GDP was surprisingly strong in the third quarter of 2022 in numerous economies, including the United States, the euro area, and major emerging market and developing economies. The sources of these surprises were in many cases domestic: stronger-than-expected private consumption and investment amid tight labor markets and greater-than-anticipated fiscal support. Households spent more to satisfy pent-up demand, particularly on services, partly by drawing down their stock of savings as economies reopened. Business investment rose to meet demand. On the supply side, easing bottlenecks and declining transportation costs reduced pressures on input prices and allowed for a rebound in previously constrained sectors, such as motor vehicles. Energy markets have adjusted faster than expected to the shock from Russia’s invasion of Ukraine. In the fourth quarter of 2022, however, this uptick is estimated to have faded in most—though not all—major economies. US growth remains stronger than expected, with consumers continuing to spend from their stock of savings (the personal saving rate is at its lowest in more than 60 years, except for July 2005), unemployment near historic lows, and plentiful job opportunities. But elsewhere, high-frequency activity indicators (such as business and consumer sentiment, purchasing manager surveys, and mobility indicators) generally point to a slowdown.

COVID-19 deepens China’s slowdown. Economic activity in China slowed in the fourth quarter amid multiple large COVID-19 outbreaks in Beijing and other densely populated localities. Renewed lockdowns accompanied the outbreaks until the relaxation of COVID-19 restrictions in November and December, which paved the way for a full reopening. Real estate investment continued to contract, and developer restructuring is proceeding slowly, amid the lingering property market crisis. Developers have yet to deliver on a large backlog of presold housing, and downward pressure is building on house prices (so far limited by home price floors). The authorities have responded with additional monetary and fiscal policy easing, new vaccination targets for the elderly, and steps to support the completion of unfinished real estate projects. However, consumer and business sentiment remained subdued in late 2022. China’s slowdown has reduced global trade growth and international commodity prices.

Monetary policy starts to bite. Signs are apparent that monetary policy tightening is starting to cool demand and inflation, but the full impact is unlikely to be realized before 2024. Global headline inflation appears to have peaked in the third quarter of 2022 (Figure 1). Prices of fuel and nonfuel commodities have declined, lowering headline inflation, notably in the United States, the euro area, and Latin America. But underlying (core) inflation has not yet peaked in most economies and remains well above pre-pandemic levels. It has persisted amid second-round effects from earlier cost shocks and tight labor markets with robust wage growth as consumer demand has remained resilient. Medium-term inflation expectations generally remain anchored, but some gauges are up. These developments have caused central banks to raise rates faster than expected, especially in the United States and the euro area, and to signal that rates will stay elevated for longer. Core inflation is declining in some economies that have completed their tightening cycle—such as Brazil. Financial markets are displaying high sensitivity to inflation news, with equity markets rising following recent releases of lower inflation data in anticipation of interest rate cuts (Box 1), despite central banks' communicating their resolve to tighten policy further. With the peak in US headline inflation and an acceleration in rate hikes by several non-US central banks, the dollar has weakened since September but remains significantly stronger than a year ago.

Figure 1. Twin Peaks? Headline and Core Inflation
(Percent, year over year)



Sources: Haver Analytics; and IMF staff calculations.

Note: The figure shows the developments in headline and core inflation across 18 advanced economies and 17 emerging market and developing economies. Core inflation is the change in prices for goods and services, but excluding those for food and energy (or the closest available measure). For the euro area (and other European countries for which the data are available), energy, food, alcohol, and tobacco are excluded. The gray bands depict the 10th to 90th percentiles of inflation across economies.

Winter comes to Europe. European economic growth in 2022 was more resilient than expected in the face of the large negative terms-of-trade shock from the war in Ukraine. This resilience—which is visible in consumption and investment data for the third quarter—partly reflects government support of about 1.2 percent of European Union GDP (net budgetary cost) to households and firms hit by the energy crisis, as well as dynamism from economies reopening. Gas prices have declined by more than expected amid higher non-Russian pipeline and liquefied natural gas flows, compression of demand for gas, and a warmer-than-usual winter. However, the boost from reopening appears to be fading. High-frequency indicators for the fourth quarter suggest that the manufacturing and services sectors are contracting. Consumer confidence and business sentiment have worsened. With inflation at about 10 percent or above in several euro area countries and the United Kingdom, household budgets remain stretched. The accelerated pace of rate increases by the Bank of England and the European Central Bank is tightening financial conditions and cooling demand in the housing sector and beyond.

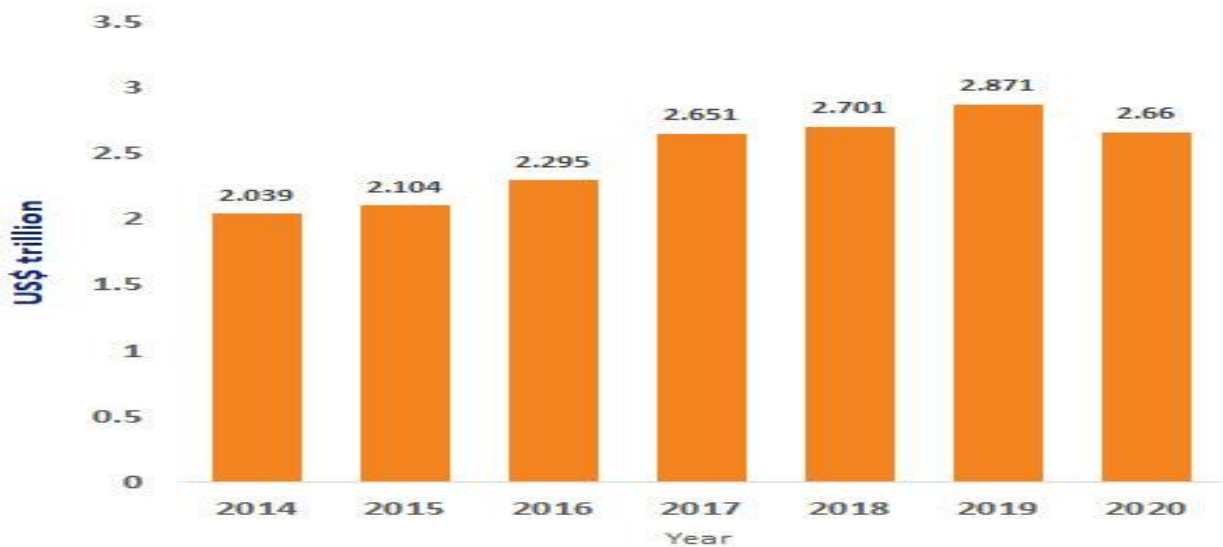
(Source: <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>)

INDIAN OUTLOOK

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022-23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022-2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback. India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

India's Gross Domestic Production



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 FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to 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 Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

GOVERNMENT INITIATIVES

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

- 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/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022:
 - a) 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.
 - b) The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of biocapsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- 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, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five 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 a 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, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of 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.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the 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).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would 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 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- 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.
- 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. Prime Minister of India Mr. Narendra Modi 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 three 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, 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 a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- 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 expected to increase public health spending to 2.5% of the GDP by 2025.

ROAD AHEAD

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

CONSUMER DURABLES INDUSTRY

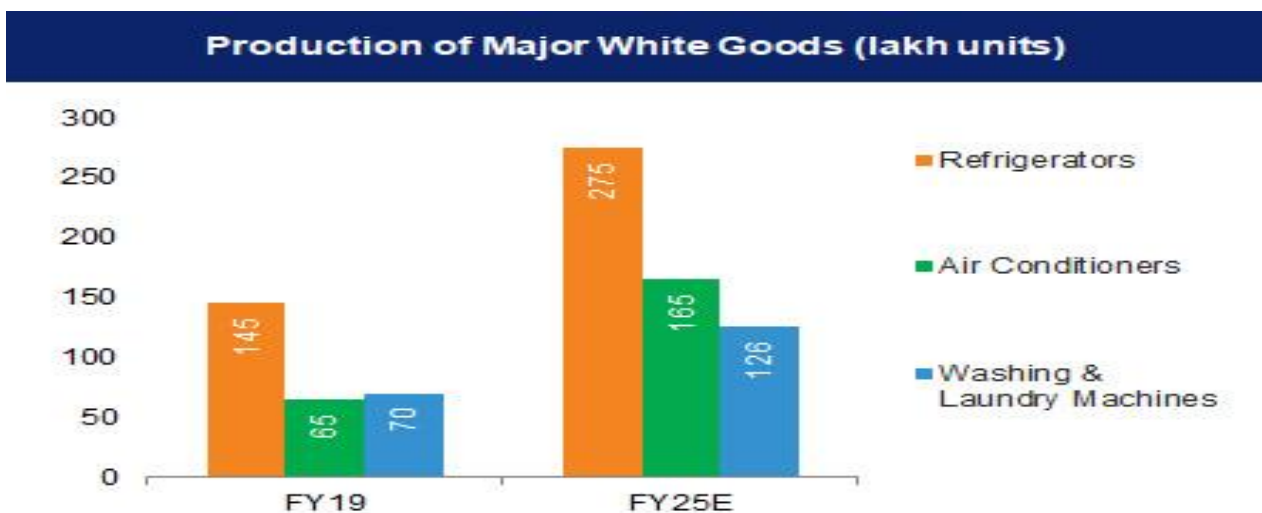
INTRODUCTION

The Indian consumer durables market is broadly segregated into urban and rural markets and is attracting marketers from across the world. The sector comprises of a huge middle class, relatively large affluent class and a small economically disadvantaged class. The sector includes consumer electricals such as fans, kitchen and cooking appliances, lighting devices, as well as white goods such as washing machines, televisions, refrigerators, and air conditioners.

Market share in the consumer durables industry is moving from the unorganised to the organised sector. According to estimates, 30% of the total market is still unorganised, which provides listed Indian players with a significant opportunity to further increase their market share going forward. Artificial intelligence and manufacturing automation will be important future trends as consumer awareness increases regarding technology advancements and their applications across multiple sectors. In order to increase production efficiency of various consumer durables, Industry 4.0 will stimulate investments in R&D, technology infrastructure, and manufacturing processes.

Global corporations view India as one of the key markets from where future growth is likely to emerge. The growth in India's consumer market would be primarily driven by a favorable population composition and increasing disposable income.

MARKET SIZE



Indian appliances and consumer electronics industry stood at US\$ 9.84 billion in 2021, and is expected to more than double to reach Rs. 1.48 lakh crore (US\$ 21.18 billion) by 2025. Electronics hardware production in the country stood at US\$ 63.39 billion in 2021.

In FY21, the television production in India stood at US\$ 4.24 billion. The total active DTH subscriber base stood at 67.04 million in June 2022.

As of 2021, the refrigerator, washing machines and air conditioner market in India were estimated at around US\$ 3.82 billion, US\$ 8.43 billion and US\$ 3.84 billion, respectively. The market size of air conditioners is expected to grow to 165 lakh units by 2025 from 65 lakh units in 2019, while refrigerators' market size is expected to grow to 275 lakh units by 2025 from 145 lakh units in 2019.

India's smartphone shipments witnessed YoY growth of 11% in 2021, with 169 million units shipped. India's smartphone market revenue crossed US\$ 38 billion in 2021 with a 27% YoY growth, with the leader being Xiaomi with a 24% shipment share.

INVESTMENTS

According to Department for Promotion of Industry and Internal Trade, between April 2020-March 2021 (FY21), exports of electronic goods from India stood at US\$ 11.1 billion. In May 2022, US\$ 1.34 billion worth of electronic goods were exported.

Between April 2000-June 2022, electronic goods attracted FDI inflows of US\$ 3.68 billion.

Following are some recent investments and developments in the Indian consumer durables sector.

- India's wearable market registered another record quarter, shipping 37.2 million units in the third quarter (July-September) of 2022, a growth of 56.4% YoY.
- According to a report from Counterpoint's Make in India service, shipments of "Made-in-India" smartphones increased 16% YoY in the second quarter of 2022 to reach over 44 million units.
- In September 2022, monthly mobile phone exports from India crossed the US\$ 1 billion mark for the first time ever.
- According to a report by Counterpoint Research, India's smart TV market grew by 74% YoY in the second quarter of 2022. Xiaomi stood as the leader with a 13% market share, followed by Samsung at 12%.
- As per TAM's latest AdEx report, television advertising for the durables sector has grown 2.5 times during January-May 2022, as compared to the same period in 2021. The sector grew 23% YoY in January-May 2022.
- Electrical appliances maker V-Guard Industries has announced plans to invest in new manufacturing plants. Over the next 12 months, the company will open four additional factories: two in Hyderabad, one in Vapi, and one in Uttarakhand.
- In FY23, Godrej Appliances announced plans to invest Rs. 200 crore (US\$ 25.11 million) in the capacity expansion of its premium range.
- In November 2021, Tata Consumer Products (TCPL) signed definitive agreements to acquire 100% equity shares of Tata SmartFoodz Limited (TSFL) from Tata Industries Limited, for a cash consideration of Rs. 395 crore (US\$ 53.13 million). This move was in line with TCPL's strategic intent to expand into value-added categories.
- In September 2021, Blue Star Climatech, the wholly owned subsidiary of Blue Star, announced its plans to invest Rs. 550 crore (US\$ 73.45 million) over the next few years to set up a new manufacturing facility at Sri City in Andhra Pradesh's Chittoor district.
- In September 2021, US-based consumer electronics brand Westinghouse Electric Corporation, forayed into the Indian market by launching a range of TV sets. The brand collaborated with its Indian licensing partner Super Plastronics Pvt Ltd (SPPL) and signed an exclusive licensing agreement with it.
- In September 2021, Airtel Digital TV, the DTH arm of Bharti Airtel, introduced Made-in-India high-definition set-top boxes for customers. The boxes are being manufactured in Noida, Uttar Pradesh, by Skyworth Electronics. Airtel plans to fully transition to Made-in-India set-top boxes, including the high-end Airtel Xstream 4K Android TV box, by the end of 2021 and contribute towards local manufacturing and the Government of India's Atmanirbhar vision.
- In August 2021, Lenovo announced that it is considerably expanding its local manufacturing capabilities in India across product categories such as PCs, laptops and smartphones, to satisfy rising consumer demand.
- In August 2021, Philips announced an investment of Rs. 300 crore (US\$ 40.41 million), and plans to recruit 1,500 employees in India. The company announced plans to expand its Pune operations to increase manufacturing in India.
- In July 2021, Godrej & Boyce announced their entry into the dishwasher market and the aim to capture 15% market share by FY22. The company is focusing on key markets such as Mumbai, Hyderabad, Bengaluru and Delhi, and plans to expand to tier-II cities.

GOVERNMENT INITIATIVES

- The Ministry of Consumer Affairs has asked top consumer durables companies (such as LG, Samsung, Havells, etc.) to share data in order to create a common repository of information on their service centres and repair policy in an effort to protect customers' rights to repair and maintain home appliances.
- In November 2021, 42 companies were selected under the PLI Scheme for White Goods with a committed investment of Rs. 4,614 crore (US\$ 580.6 million), which is expected to create additional direct employment for 44,000 people.
- a) In April 2022, 19 companies filed applications for the PLI Scheme for White Goods in the 2nd round of applications, with committed investments of Rs. 1,548 crore (US\$ 194.79 million).
- b) As part of the PLI scheme, 61 companies have established component manufacturing facilities in 111 locations throughout 14 states and UTs, creating jobs across India.
- In November 2021, Flipkart signed an MoU with the Ministry of Rural Development of the Government of India (MoRD), for their ambitious Deendayal Antyodaya Yojana – National Rural Livelihood Mission (DAY-NRLM) programme, to empower local businesses and self-help groups (SHGs) by bringing them into the e-commerce fold.
- In July 2021, the government approved 14 companies under the production linked incentive (PLI) scheme for IT hardware. Over the next four years, these companies are expected to fuel total production of >US\$ 21.64 billion.
- In June 2021, the government extended the production-linked incentive (PLI) scheme for large scale electronics manufacturing by a year (until FY26), giving a boost to the industry.
- The Indian government has been encouraging consumer durable brands in India to 'Make in India', thereby expecting they should be self-reliant for the future; consumer too are showing an affinity towards homegrown products.
- The National Policy on Electronics 2019 is targeting production of one billion mobile handsets valued at US\$ 190 billion by 2025, out of which 600 million handsets valued at US\$ 100 billion are likely to be exported.
- The Government of India has allowed 100% FDI under the automatic route in electronics systems design and manufacturing sector. FDI into single brand retail has been increased from 51% to 100%; the government is planning to hike FDI limit in multi-brand retail to 51%.

ROAD AHEAD



According to a number of consumer durable businesses, rural India presents the next significant growth potential for the industry, driven by increased penetration. The government's effort to electrify rural areas has improved power supply during the past few years in tier 3/4 towns and villages, paving the way for the use of electrical products.

According to FICCI, India's TV production is expected to reach US\$ 10.22 billion by FY26 at a CAGR of 20%. The headset market revenue in India is projected to reach US\$ 77 million by 2027 at a CAGR of 4.7%, driven by rising adoption of wireless headsets among consumers. The dishwasher market in India is expected to surpass US\$ 90 million by 2025-26, driven by rising demand from metro cities such as Mumbai, Hyderabad, Delhi and Bangalore. According to India Cellular & Electronics Association (ICEA), India has the potential to achieve a value of US\$ 100 billion in manufacturing of laptops and tablets by 2025. The Indian mobile phone market is predicted to generate Rs. 2.4 trillion (US\$ 29.38 billion) in revenue by FY26.

The Indian appliance and consumer electronics (ACE) market is expected to increase at 9% CAGR to reach Rs. 3.15 trillion (US\$ 48.37 billion) in 2022. Demand growth is likely to accelerate with rising disposable income, easy access to credit, and wide usability of online sales.

References: *Media Reports, Press Releases, Press Information Bureau (PIB), Boston Consulting Group, International Data Corporation*

(Sources: <https://www.ibef.org/industry/indian-consumer-market>)

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the section titled **“Risk Factors”**, beginning on page no. 26 of this Draft Red Herring Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the detailed information about our Company and its financial statements, including the notes thereto, in the section titled **“Risk Factors”**, **“Financial Statement”** beginning on page no. 26 and 149 respectively, of this Draft Red Herring Prospectus.

Unless otherwise stated or the context otherwise requires, in relation to business operations, in this section of this Draft Red Herring Prospectus, all references to **“we”**, **“us”**, **“our”** and **“our Company”** are to Comrade Appliances Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements.

OVERVIEW OF OUR BUSINESS

Our Company is engaged in the process of manufacturing an extensive array of Air Coolers and Electric Geysers. We manufacture consumer durable goods and assemble a wide array of products and provide end-to-end product solutions. We serve under both original equipment manufacturer (“OEM”) and original design manufacturer (“ODM”) business models. Under the OEM model, we manufacture and supply products basis designs developed by our customers, who then further distribute these products under their own brands. Under the ODM model, in addition to manufacturing, we conceptualize and design the products which are then marketed to our customers’ prospective customers under their brands. Our current product portfolio of consumer goods includes (I) Air Coolers; (ii) Electric Geysers. We offer innovative solutions to our customers, which include leading international and national consumer brands. Our comprehensive solution suite includes global sourcing, fabrication of components and parts, captive manufacturing and assembly, quality testing, packaging and logistics support, which enables us to partner with leading consumer goods brands in India. Our key customers include leading brands in consumer durables. We have over 5 years of experience in manufacturing sector. Since inception, we have expanded our product portfolio, customer base and gained technological expertise in designing and manufacturing of our products. We have an experienced Board of Directors and management team. Our management, including key managerial personnel have expertise and experience in the consumer goods industry.

Our company has a brand name Comrade. We manufacture and sale our products under the brand name of “Comrade”.

We have a manufacturing facility located at Palghar admeasuring 66,322 Sq. Ft, which are strategically located in and around Mumbai (Maharashtra). Our modern and state-of-art manufacturing facilities are equipped with high quality machinery, assembly lines that enable us to meet the quality requirements of our customers in a timely manner. In line with our focus to provide end to-end product solutions and to develop better control on our supply chain and improve our margins. We have developed in-house capabilities in SMT lines, injection moulding, sheet metal components and testing labs. We have equipped our facilities to improve our cost efficiency, reduce dependency on third party suppliers and provide better control on production time and quality of critical components used in the manufacturing of products.

Our Company took over the business of M/s Troupe Technologies Private Limited (TTPL) on slump sale basis in the year 2021. Troupe Technologies Private Limited was engaged in the business of plastic injection moulding. The takeover was done via a Business takeover agreement.

Our Company has four departments which includes 1) Production Department, 2) Moulding Department, 3) Administration Department 4) Logistics Department.

We work with extreme enthusiasm and assure to accomplish great customer satisfaction by offering a high-quality range of Air coolers and Electric Geysers as per their specific needs. In order to convene the accurate needs of clients in the most flourishing way, we offer our products with standard and customized specifications. Backed by a team of experienced staff, we have been able to meet the precise needs of our clients. Owing to our ethical business policies, high-quality products range and reasonable prices, we have increased the number of our satisfied clients.

As on date of this Draft Red Herring Prospectus, our company have three registered designs for our products and two trademarks. We strongly believe in innovation and technology. We have been proactive in introducing the latest technologies and successfully delivering high quality products to all of our clients. We are committed to surpassing customer expectations and achieving customer loyalty with our excellent product quality. We strictly adhere to professional integrity and ethical practices, aiming for 100% customer satisfaction. We are always committed to fulfilling the requirements of our clientele according to their needs. In order to meet these requirements, we have adapted the best measures in the industry. We believe that extensive research, training and continuous upgrading of technology maintains

the standards and quality of our products. We are providing products that ensure customer satisfaction. We have long-term and stable relationships developed over the years with our key customers through the quality we provide.

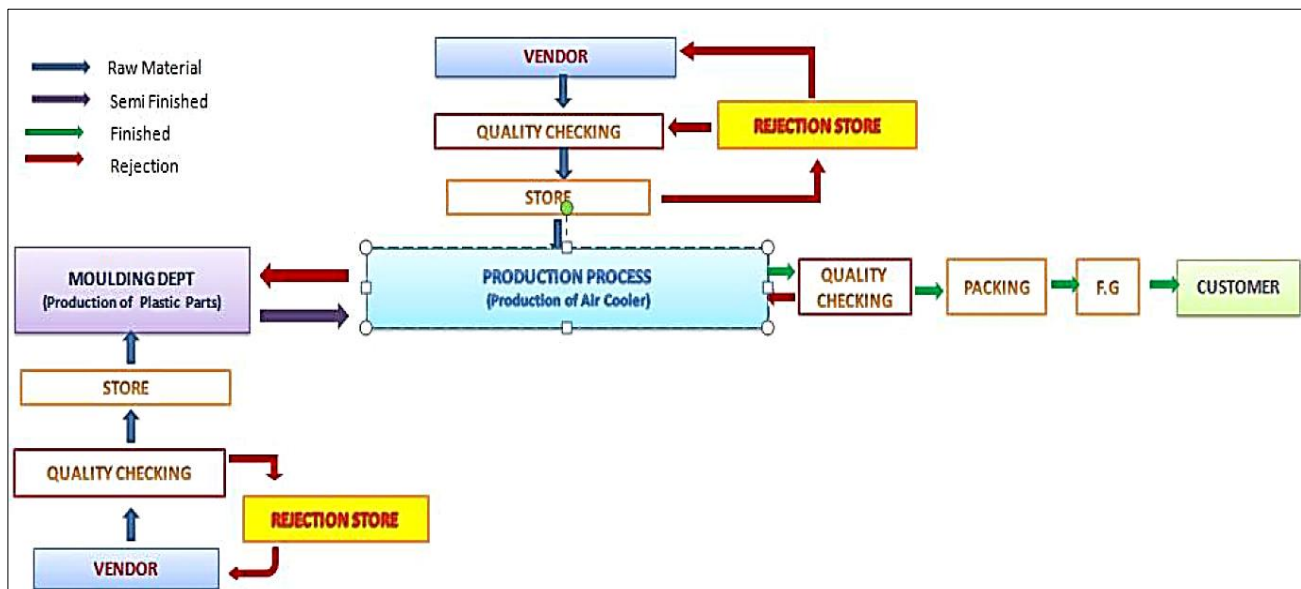
Our Company was originally incorporated on March 22, 2017, as a Private Limited Company as “Comrade Appliances Private Limited” under the provisions of the Companies Act, 2013 with the Registrar of Companies, Central Registration Centre. Our Company was converted from a Private Limited Company to Public Limited Company pursuant to a Special Resolution passed by our shareholders at the Extra-Ordinary General Meeting held on November 10, 2022 and subsequently the name of our Company was changed to ‘Comrade Appliances Limited’. A Fresh Certificate of Incorporation consequent to Conversion was issued on December 13, 2022 by the Registrar of Companies, Central Registration Centre. The Corporate Identification Number of our Company is U74999MH2017PLC292817.

Our Company is promoted by Mr. Khursheed Alam and Mr. Mehboob Alam. Under the headship of our mentor Mr. Khursheed Alam, our organization is moving ahead in this cutting-edge competition. He, with his knowledge and expertise, has enabled us to cater the demands of customers. He is the guiding force behind all the strategic decisions of our Company and has been an anchor to our company since incorporation. He has completed Master in Business Administrations from National Institute of Management. In addition to our individual Promoters, our senior management team includes qualified, experienced and skilled professionals who have experience across various sectors. The stability of our management team and their combined industry experience will enable us to continue to take advantage of future market opportunities and expand into newer markets. Our senior management team is able to leverage our market position with their collective experience and knowledge in the process of manufacturing of Air Coolers, and Electric Geysers, to execute our business strategies and drive our future growth.

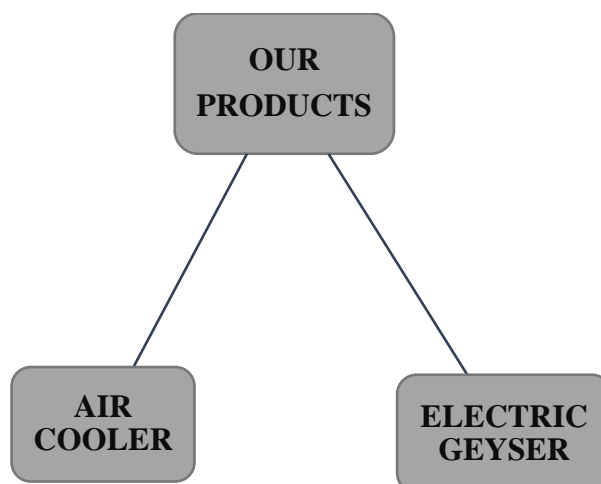
Our Mission and Vision




Our vision is to provide the highest quality end products to our customers. Our mission is to provide the market with an high quality products at affordable rate & shall guarantee our customers ultimate satisfaction & create long term relationship with the clients.

OUR MANUFACTURING PROCESS CHART



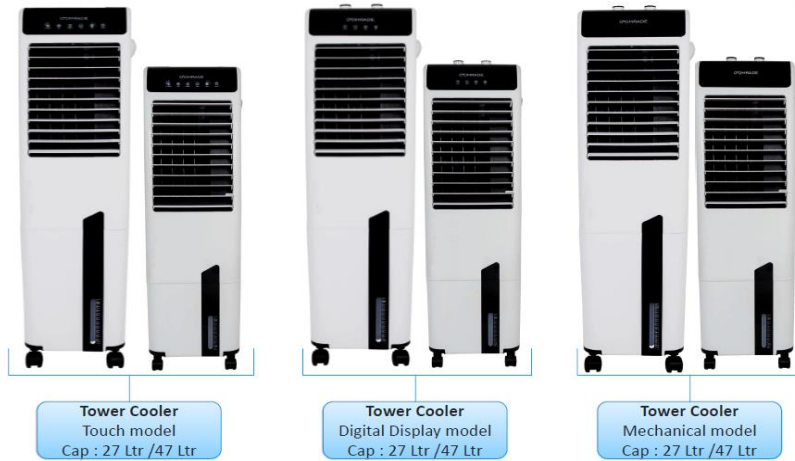
OUR PRODUCTS



| Product | Product Description |
|--|--|
| Air Cooler-Tower Series  | <ul style="list-style-type: none"> ✓ Comes in two models- Prim 50 and Prim 30 ✓ Extra Large Honeycomb Cooling Pad for More Cooling ✓ 1800m³/Hr Strong air delivery ✓ Motorised Louvers movement for 4 way air circulation ✓ Large 8 inch Bowler ✓ Castor wheel for easy moveability ✓ 160 watts less power consumption ✓ Large water tank capacity 45/27 Ltr. ✓ Long Air throw upto 30 ft. |
| Air Cooler-Personal Series  | <ul style="list-style-type: none"> ✓ Comes in two models- Prim 36 and Prim 22 ✓ Extra Large Honeycomb Cooling Pad for More Cooling ✓ 1550m³/Hr Strong air delivery ✓ Motorised Louvers movement for 4 way air circulation ✓ Large 8 inch Bowler ✓ Castor wheel for easy moveability ✓ 165 watts less power consumption ✓ Large water tank capacity 36/22 Ltr. ✓ Long Air throw upto 30 ft. |
| Electric Geysers  | <ul style="list-style-type: none"> ✓ Comes in three models- Prizma- 1 ltr., 2 ltr. And 3 ltr. ✓ Plastic Shockproof Body ✓ High-Precision pre calibrated thermostat ✓ Fire Retardant Power Cord ✓ High Power Heating Element to get Instant hot water ✓ Anti-Symphoning System Prevents the back flow of water from the container, thus avoiding dry heating ✓ Voltage- 230V AC, 50Hz Single Phase |

OEM Product Range

1. Tower Air Cooler



2. Personal Air Cooler



3. Electric Geysers



OUR LOCATIONS

| Sr. No | Particular | Usage | Status (Owned/rented) | Licensor/ Lessor/ vendor |
|--------|--|-------------------|-----------------------|--------------------------|
| 1. | Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V.Road, Jogeshwari West Mumbai, Mumbai City-400102, Maharashtra, India | Registered Office | Rented | Mr. Patel Iqbal Ismail |

| | | | | |
|----|---|------------------|--------|--|
| 2. | Shop No. 38, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West Mumbai, Mumbai City-400102, Maharashtra, India | Corporate Office | Rented | Mr. Shah Minesh Pravinchandra |
| 3. | Premises admeasuring to 22812 Sq. Ft. House Property No. 950 of Gut No. 365, village Nandore, Palghar, Maharashtra, India. | Factory | Rented | M/s. P.M. Electro-Auto Private Limited |

OUR COMPETITIVE STRENGTHS

We believe that the following are our primary competitive strengths:

Strategic Location of Manufacturing Unit

Our Company has setup its manufacturing unit in a very strategic area of Maharashtra. The basic raw material required for our manufacturing facility is plastic granules and it is easily available at the industrial areas. These manufacturing facilities are in Maharashtra and are near to various industrial areas. Our company source raw materials from the Industrials area and the consumption of our finish products are also done in the same industrial area. Our company has selected the contract manufacturing facilities and suppliers as there are strategically located. We believe the strategic location of our plant has helped us in creating synergies as well as achieving economies of scale and operational efficiencies.

Constant focus on developing new and innovative products

For any company, innovation, novelty, procedural as well as technical progress are key factors for its success in the long term. Our Company constantly encourages its people to innovate and develop new products for catering to demands of our customers. This has helped our Company to become a customer-oriented manufacturing concern.

R&D and product design capabilities leading to generation of ODM business

We place strong emphasis on research and development to enhance our product range and improve our manufacturing processes, which has been a key pillar of our growth. We believe that we have developed strong product design capabilities, which allow us to provide customised solutions to our customers and service them more effectively and in a timely manner. Leveraging on the experience and knowledge derived from manufacturing our products, we are centre focusing on the research and development of electronics hardware designing, system architecture, mechanical design, component engineering and optics design and provide design enhancement and verification to our customers. We have been building up our design, product development and manufacturing capabilities as we believe that as an ODM service provider, we provide an attractive value proposition to consumer goods brands. The technological advancements and frequent design changes in the industry in India necessitate innovation and we believe that our ODM service enables our customers to focus on their core competencies such as product differentiation, marketing and distribution.

Strong relationships with a diverse top-tier customer base

We have established and will continue to focus on strengthening our long-standing relationships with well-known customers across product verticals. We view these customers as our partners and seek to provide them with quality end-to-end product solutions. We believe that our customers are long term reputed players in the industry. Our relationships with them have enabled us to continuously develop, diversify and improve our product portfolio, plan our production in anticipation of demand from retail customers and ensure continuous focus on quality. Such long-term business relationships stem from our commitment to quality products and timely delivery of customers' orders under tight delivery schedules and short production lead time. Our global customers typically implement stringent approval processes and quality audits checks in the selection of their suppliers, and our ability to be a key supplier and establish long term relationships with many of our customers demonstrates our ability to maintain customer stickiness and strong delivery capabilities. We believe, our strong customer base has not only been instrumental in our success to date, but also will be a strong driver of our future growth and help expand our market share, develop new products and enter newer markets. Our ability to maintain and grow these customer relationships stems from our history of continuously creating value for our customers.

Quality Assurance

Our Company is dedicated towards quality of our products, processes and input raw material. Our Company has been accredited with "ISO 9001:2015" Certification for Quality Management System" We adhere to quality standards as prescribed by our customers to meet the desired requirement. Delivering Quality products on time is one of our prime objectives. We dedicate resources for quality assurance to ensure that quality norms are continually met. We also have

quality control checks before any consignment of Raw material is accepted since it has a direct impact on the quality of Finished Product. The ability to consistently deliver high-quality products to customers is critical to our business. Quality control is ensured by strict adherence to work protocols, from the procurement of raw materials and through the various stages of production.

Strong professional and execution team allows the Company to develop a strong business

We are assisted by a highly dedicated and efficient team of professionals, well versed with the technicalities of their areas of specialization, they are capable to meet the exact demands of our clients. They hold immense knowledge about our products. Our greatest strength lies in our human resource that comprises a team of highly dedicated Professionals driven by a single-minded passion for achieving excellence in their field of their expertise.

Existing Supplier Relationship

Our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. Our company enjoys excellent relationship with our suppliers.

Progressive Employer

Comrade is continuously focused on creating an engaging atmosphere for our Employees to learn, contribute and grow. We nurture a sense of equality among our team members and offer them ample opportunities to pursue their passion and grow. There is an active fun team that creates opportunities for enjoyment even while working. We believe in timely compliance of all statutory payments especially related to employees. Our company ensures a safe environment, dignity and respect for all our employees irrespective of gender, religion, caste.

OUR BUSINESS STRATEGIES

Focus on Increase in Volume of Sales

As a part of our growth strategy our focus is on increasing sales volume through expansion, diversification and spread in geographical outreach. We believe that our growth in local market can fetch us new business expansion and opportunities. The company is pursuing lot of opportunities to increase its production capacity. With this increased production capacity, we shall be able to grow our client base geographically also.

Continue to focus on ODM model

While OEM sales continue to be a major source of our revenue, we plan to gradually expand our share of the ODM model of manufacturing. As an ODM, we control the entire manufacturing cycle of a product from the initial stage of designing and are responsible for all the aspects of manufacturing, including planning and sourcing of raw materials and components. Under ODM, we sell our products to companies who in turn distribute these products under their own brand to end users, however, warranties with respect to defects in raw materials and workmanship affecting normal use of products are provided by us. The ODM model of business requires additional investment in R&D as well as working capital but provides higher margins as compared to the OEM model. Our strategy to move towards the ODM model is to service all major customer requirements across the industry and product verticals. This also helps us in improving our overall profitability as we are able to control all aspects of the manufacturing cycle. Gradually, we believe there is a trend in certain product verticals wherein regional and private labels have been gaining market share and the ODM model allows us to service this market as well.

Continue to strive for cost efficiency

We aim to continue to maintain our focus on cost management, including our manufacturing capabilities to deliver growth as well as to achieve economies of scale. We will continue to seek to manage our supply chain costs through optimal inventory levels, economic orders and other measures. Economies of scale will also enable us to continuously improve our operational efficiencies. Further, we intend to leverage technology for effective utilization of our machinery which would enable effective monitoring of the machine status and study of various shop floor patterns thereby allowing us to address the bottlenecks and to improve our output efficiency. We also wish to target economies of scale to gain increased negotiating power on procurement.

Focus on consistently meeting quality standards

We maintain a strong internal quality control checks in the key functional and operational areas, including various policies and procedures which ensure the orderly and efficient execution of work orders, including adherence to management's policies, safeguarding of assets, prevention and detection of fraud and error, accuracy and completeness of the accounting

records, and the timely preparation of reliable financial information. We will continue to strengthen the quality control processes for the products which we offer. Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and maintaining long term relationships with customers.

Increase Brand awareness

We believe that it's critical for success to have strong brand recognition and recall value. We intend to enhance the brand recognition of our services through our presence in major cities. We also intend to focus on use of targeted marketing initiatives such as digital and print advertisements, as well as marketing through traditional channels such as outdoor advertising. Our marketing and advertising initiatives shall be directed to increase brand awareness, acquire new customers, drive customer traffic across our retail channels and strengthen our brand recall value.

Strategic Acquisition and Alliance Opportunities

We intend to explore and evaluate strategic acquisition and technology alliance opportunities to gain access to new clients and sectors, add new technology capabilities to our offerings that drive synergies with our existing business ventures.

INFRASTRUCTURE FACILITIES

Raw Materials

The major raw material required for our manufacturing is plastic granules and electrical component like motor, switches, hardware item screws.

Infrastructure Facilities

Our Manufacturing unit is located at Premises admeasuring to 66,322 Sq. ft. House Property No. 950 of Gut No. 365, village Nandore, Palghar, Maharashtra, India and is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

Power

We have arrangements for regular power supply at our Factory and registered office. This power is been supplied to us from Maharashtra State Electricity Board in our Factory.

Water

Our registered office and factory have adequate water supply arrangements for human consumption purpose. The requirements are fully met at the existing premises.

EXPORT AND EXPORT OBLIGATIONS

As on date of this Draft Red Herring Prospectus, our Company does not have any export and export obligation.

HUMAN RESOURCE

Human resource is the key element for our Company's growth strategy and handling the day-to-day activities within the organization. We focus on attracting and retaining the best possible talent. Our team is a blend of experienced, professional with expertise our industry. Our Company does not have any Employee Unions. As of January 31, 2023, we had 52 Employees in our company. The Mumbai office contains our principal corporate offices which conducts administrative and reporting activities for us and extends support to factory. We have not experienced any material strikes, work stoppages, labour disputes or actions by or with our employees, and we consider our relationship with our employees to be good.

All the employees who are employed in their respective departments work with integrity to make sure the operation the company are fulfilled and the targets the company has set are achieved.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

We have also adopted best practices, including deployment of advanced technology at our factory and regularly undertaking mock drills and other safety orientation programmes to promote a safe working environment. Our operations are subject to governmental, state and municipal laws and regulations relating to the protection of the environment, including requirements for water discharges, air emissions, the use, management and disposal of solid or hazardous materials or wastes and the cleanup of contamination. However, typically in contracts entered by us all the necessary approvals and environmental clearances for the project of the project are to be procured by our clients.

MARKETING AND DISTRIBUTION STRATEGY


We have a sales and marketing team focusing on customer development and maintaining customer relationship. This team is also responsible for the marketing of our products, negotiating prices, procuring repeat orders and ensuring timely dispatch and deliveries. Our sales team has built long-term relationships with a number of our customers. As a response to the same, bidders such as our Company, send proposals bidding for the particular order. Our sales and marketing team replies with quotations to such enquires and we receive purchase orders subject to acceptance of quotations or final negotiations.

COMPETITION

The Indian consumerable industry has historically been dominated by major entities, which aggregates major market share, as the industry presents significant entry barriers. These market entry barriers include the development of an extensive distribution network through long-term relationships with dealers, the ability to set up tinting machines with dealers, as well as significant marketing costs and the establishment of a distinct brand to gain product acceptance. We compete with these smaller companies as well on the strength of our distribution network, brand recognition and ability to leverage our dealer relationships to install tinting machines. We believe we are well-positioned to compete with these companies given our differentiated strategy where we seek to fulfil unmet product requirements, while at the same time offering a complete range of decorative paint products across India. With over a decade of operating history and the quality of our products, our product development capability and our range of paint products for different applications, we believe that we have the competitive strengths in the paint market in India.


INTELLECTUAL PROPERTY

As on date of this Draft Red Herring Prospectus, our company have two Trademarks for our products.

| Sr. No | Brand Name/Logo/ Trademark | Class | Owner | Application Number and Date | Validity/Status |
|--------|---|-------|---------------------------------------|--|-----------------|
| 1. | COMRADE | 11 | Comrade Appliances Private Limited | 3773417 Date: March 09, 2018 | March 9, 2028 |
| 2. |  | 11 | Comrade Appliances Private Limited | 8223482 (Temporary Reference Number) Date: February 1, 2023 | Pending |

Registered Designs

As on date of this Draft Red Herring Prospectus, our company have three registered Designs for our products.

| Sr. No. | Name of the registered design of Product | Photo of the registered design of Product | Date of issue of Certificate Registration of Design | Design No. | Class under Designs Act, 2000 | Status/ Validity |
|---------|---|---|--|----------------|-------------------------------------|--|
| 1. | Air Cooler |  | June 16, 2021 | 333404- 001 | 23-04 | Registered – Accepted and Published |

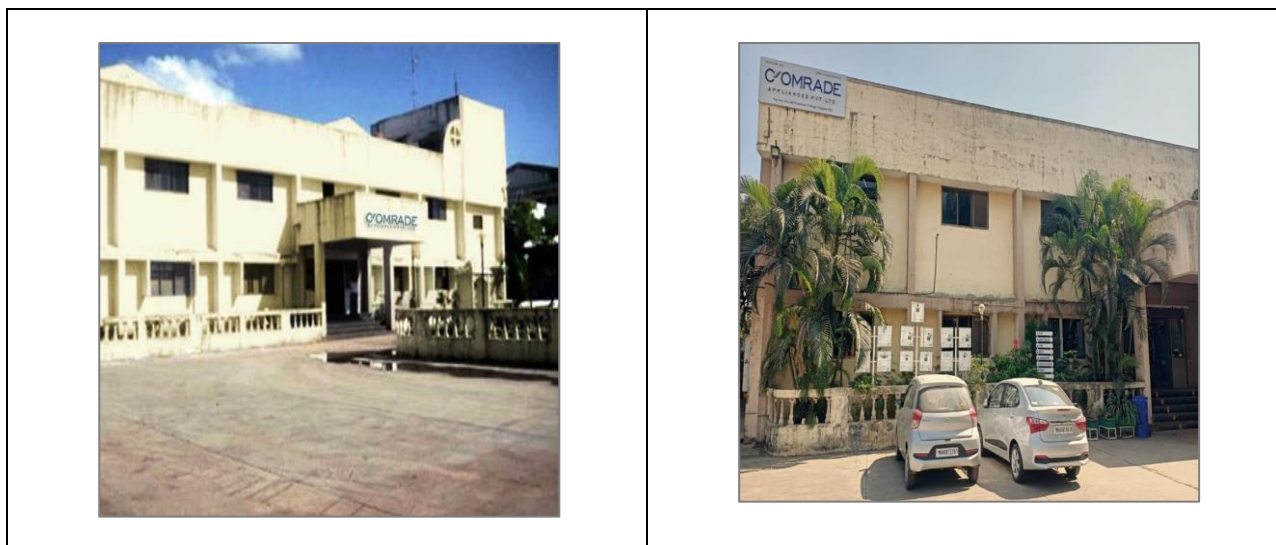
| | | | | | | |
|----|------------------|---|--------------------|------------|-------|-------------------------------------|
| 2. | Electric Geysers |  | July 22, 2021 | 333407-001 | 23-03 | Registered – Accepted and Published |
| 3. | Air Cooler |  | September 30, 2021 | 333405-001 | 23-04 | Registered – Accepted and Published |

IMMOVEABLE PROPERTIES

| Sr. No | Particular | Usage | Status (Owned/rented) | Licensor/ Lessor/ vendor |
|--------|--|-------------------|-----------------------|-----------------------------------|
| 1. | Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V.Road, Jogeshwari West Mumbai, Mumbai City-400102, Maharashtra, India | Registered Office | Rented | Mr. Patel Iqbal Ismail |
| 2. | Shop No. 38, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West Mumbai, Mumbai City-400102, Maharashtra, India | Corporate Office | Rented | Mr. Shah Minesh Pravinchandra |
| 3. | Premises admeasuring to 66,322 Sq. Ft. House Property No. 950 of Gut No. 365, village Nandore, Palghar, Maharashtra, India. | Factory | Rented | P.M. Electro-Auto Private Limited |
| 4. | Godown No. 3 to 14, Bldg No F-1, Ground Floor, Bldg. Parasnath Co-Op. Hsg Soc Phase 2, Dapoda Bhiwandi Road, Ovali-421302, Bhivandi, Thane, India. | Godown | Rented | M/s Galaxy Logistics |
| 5. | Flat No. A-3, C Square Feet, situated on the 1 Floor, Building lily Apartment Sra Chs Ltd, S.V Road, Jogeshwari West, Mumbai-400102, Maharashtra, India. | Godown | Rented | Mr. Mehboob Alam |

OUR MANUFACTURING FACILITY

1. Manufacturing Facility



Our manufacturing unit is located in Nandore Village, Palghar, Maharashtra and is spread across an area of around 66,322 Sq., Ft. We are using plastic granules and electrical component like motor, switches, hardware item screws as raw material. Our manufacturing facility has Production Area, Assembly Line, R&D Department. It is equipped with requisite infrastructure including machineries, testing laboratory other handling equipment to facilitate smooth manufacturing process.

2. Production Area



We have Moulding Unit Setup under same roof with 8 Moulding Machines- 3 of 100 Tons, 1 of 170 Tons, 1 of 280 Tons, 1 of 350 Tons, 1 of 450 Tons and 1 of 775 Tons.

3. Assembly Line



We have total 3 Conveyor Assembly Line for fast production 2 Assembly Line for Air Cooler and 1 Assembly Line for Electric Geysers, which can be increase depending upon the requirement.

4. R&D Department



Well-developed R & D Department conducts a thorough study for new product research. Our R & D department ensures good design with best specification and a functional product that customers want to us. Provides new Product Development & existing product update and Ensures Quality check & innovation.

MACHINERY

We have Moulding Unit Setup under same roof with 8 Moulding Machines- 3 of 100 Tons, 1 of 170 Tons, 1 of 280 Tons, 1 of 350 Tons, 1 of 450 Tons and 1 of 775 Tons.

CAPACITY AND CAPACITY UTILIZATION

| Capacity Utilisation Calculation from April 01, 2019 – March 31, 2020 | | | |
|---|---------------|------------------|---------------|
| Products | Air Cooler | Electric Geysers | Overall Plant |
| Installed Capacity (Nos) | 2,50,000 | 3,00,000 | 5,50,000 |
| Production (Nos) | 45,000 | 15,000 | 60,000 |
| Capacity Utilisation | 18.00% | 5.00% | 10.91% |

Overall Plant Capacity utilisation is **10.91%**, above calculation is based on **320 working days** in the period.

| Capacity Utilisation Calculation from April 01, 2020 – March 31, 2021 | | | |
|---|---------------|------------------|---------------|
| Products | Air Cooler | Electric Geysers | Overall Plant |
| Installed Capacity (Nos) | 1,70,000 | 1,96,875 | 3,66,875 |
| Production (Nos) | 50,000 | 15,000 | 65,000 |
| Capacity Utilisation | 29.41% | 7.62% | 17.72% |

Overall Plant Capacity utilisation is **17.72%**, above calculation is based on **210 working days** in the period.

| Capacity Utilisation Calculation from April 01, 2021 - March 31, 2022 | | | |
|---|---------------|------------------|---------------|
| Products | Air Cooler | Electric Geysers | Overall Plant |
| Installed Capacity (Nos) | 2,50,000 | 3,00,000 | 5,50,000 |
| Production (Nos) | 60,000 | 19,000 | 79,000 |
| Capacity Utilisation | 24.00% | 6.33% | 14.36% |

Overall Plant Capacity utilisation is **14.36%**, above calculation is based on **320 working days** in the period.

| Capacity Utilisation Calculation from April 01, 2022 – 30 th August 2022 | | | |
|---|---------------|------------------|---------------|
| Products | Air Cooler | Electric Geysers | Overall Plant |
| Installed Capacity (Nos) | 1,09,000 | 1,30,000 | 2,39,000 |
| Production (Nos) | 16,000 | 8,000 | 24,000 |
| Capacity Utilisation | 14.68% | 6.15% | 10.04% |

Overall Plant Capacity utilisation is **10.04%**, above calculation is based on **140 working days** in the period.

INSURANCE

We maintain a range of insurance policies to cover our assets, risks, and liabilities. As of the date of this Draft Red Herring Prospectus, we have obtained various insurance policies such as-

| Sr. No. | Name of the Insurance Policy | Type of Policy | Policy No. | Validity Period | Description of the cover under the policy | Sum Insured (in Lakhs) |
|---------|---|----------------|--------------------|--|---|------------------------|
| 1. | Oriental Bharat Laghu Udyam Suraksha Policy | Factory Policy | 132000/11/2023/715 | From 16:06 on January 18, 2023 to Midnight of January 17, 2024 | Policy Insures: Furniture, Fixtures & Fittings - sum insured – ₹ 37,47,597.00 Stock (Raw Materials) – sum insured – ₹ 13,51,23,748.00 Computer and Office Equipments – sum insured – ₹ 1,83,001.00 | 220.00 |

| | | | | | | |
|----|---|---------------|--------------------|--|---|-------|
| | | | | | Building – sum – insured – ₹ 1,50,00,000.00 Plant and Machinery – sum insured – ₹ 6,59,45,654.00 | |
| 2. | Oriental Bharat Laghu Udyam Suraksha Policy | Office Policy | 132000/11/2023/715 | From 16:04 on January 18, 2023 to Midnight of January 17, 2024 | Policy Insures: Furniture, Fixtures & Fittings - sum insured – ₹ 9,00,000.00 Computer – sum insured – ₹ 1,00,000.00 | 10.00 |
| 3. | Oriental Bharat Laghu Udyam Suraksha Policy | Godown Policy | 132000/11/2023/716 | From 16:03 on January 18, 2023 to Midnight of January 17, 2024 | Policy Insures: Machine, Electric Geysers - sum insured – ₹ 25,00,000.00 | 25.00 |
| 4. | Oriental Bharat Laghu Udyam Suraksha Policy | Stock Policy | 132000/11/2023/713 | From 16:05 on January 18, 2023 to Midnight of January 17, 2024 | Policy Insures: Stock (Finished Goods) – sum insured – ₹ 5,00,000.00 | 5.00 |

KEY INDUSTRY REGULATIONS AND POLICIES

Except as otherwise specified in this Draft Red Herring Prospectus, we are subject to several central and state legislations which regulate substantive and procedural aspects of our business.

Additionally, our operations require sanctions from the concerned authorities, under the relevant Central and State legislations. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business of manufacturing, exporting and supply Original Equipment Manufacturers of (OEM) air coolers and Electric Geysers. Taxation statutes such as the I.T. Act, GST and applicable Labour laws, contractual laws, intellectual property laws as the case may be, apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. The regulations set out below may not be exhaustive and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.

APPROVALS

For the purpose of the business undertaken by our Company, it is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. *For further information, see “Government and Other Approvals” on page no. 174 of this Draft Red Herring Prospectus.*

APPROVALS

APPLICABLE LAWS AND REGULATIONS

BUSINESS/TRADE RELATED LAWS/REGULATIONS

Bureau of Indian Standards Act, 2016 (the “Bureau of Indian Standards Act”)

The Bureau of Indian Standards Act, 2016, as amended provides for the establishment of bureau for the standardization, marking and quality certification of goods. The Bureau of Indian Standards Act provides for the functions of the bureau which include, among others to (a) recognize as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the Bureau of Indian Standards Certification Mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

Bureau of Indian Standards Rules, 2018 (the “Bureau of Indian Standards Rules”)

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

Steel and Steel Products (Quality Control) Order, 2020 (the “Quality Control Order 2020”)

The Steel and Steel Products (Quality Control) Order, 2020, as, was notified by the Ministry of Steel, Government of India, to bring specified steel products under mandatory BIS certification. All manufacturers of steel and steel products are required to apply to the Bureau of Indian Standards for certification and ensure compliance with the Quality Control Order 2020.

Legal Metrology Act, 2009 (the “Metrology Act”)

The Legal Metrology Act, 2009, as amended was enacted with the objective 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. The Metrology Act states that any transaction/contract relating to goods/class of goods shall be as per the weight/measurement/numbers prescribed by the Metrology Act. The specifications with respect to the exact denomination of the weight of goods to be considered in transactions are contained in rules by each state.

LAWS RELATING TO SPECIFIC STATE WHERE ESTABLISHMENT IS SITUATED

The Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975 (“The Act”)

The Act provides for the Levy and Collection of a Tax on Professions, Trades, Callings and Employments for the benefit of the State. Every person engaged in any profession, trade, calling or employment and falling under one or the other of the classes mentioned in the second column of Schedule I shall be liable to pay to the State Government the tax at the rate mentioned against the class of such persons in the third column of the said Schedule. The tax payable under this Act by any person earning a salary or wage, shall be deducted by his employer from the salary or wage payable to such person, before such salary or wage is paid to him, and such employer shall, irrespective of whether such deduction has been made or not, when the salary or wage is paid to such persons, be liable to pay tax on behalf of all such person. As per Section 5 of the Act — every person, liable to pay tax u/s. 4, shall obtain a Certificate of Registration, and, every person, liable to pay tax u/s. 3(2), shall obtain a Certificate of Enrolment from prescribed authority in prescribed manner.

The Maharashtra Stamp Act, 1958 (the “MS Act”)

The prescribed stamp duty on instruments in the State of Maharashtra are governed by the MS Act. The MS Act levies stamp duty on documents/instruments which are specified in the schedule to the MS Act and by which any right or liability is or purports to be created, transferred, limited, extended, extinguished or recorded. All instruments chargeable with duty and executed by any person are required to be stamped before or at the time of execution or immediately thereafter on the next working day following the day of execution. It authorises the State Government on receiving information from any source, to call for examination of any instrument to satisfy itself that the market value of the property referred therein has been truly set forth and the duty paid on it is adequate. Instruments not duly stamped are incapable of being admitted in court as evidence of the transaction in question. The Maharashtra State Government has the authority to impound insufficiently stamped documents.

The Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 (the “Act”)

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

ENVIRONMENT RELATED LAWS

Environment Protection Act, 1986 and Environment (Protection) Rules, 1986

The Environmental Protection Act, 1986 is an "umbrella" legislation designed to provide a framework for coordination of the activities of various central and state authorities established under various laws. The potential scope of the Act is broad, with "environment" defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property.

The Environmental Impact Assessment Notification, 2006 (the “Notification”)

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

The Water (Prevention and Control of pollution) Act, 1974 (the “Water Act”)

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who is empowered to establish standards and conditions that are required to be complied with.

The Air (Prevention and Control of Pollution) Act, 1981 (the “Air Act”)

The Air (Prevention and Control of Pollution) Act, 1981 has been enacted to provide for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

The Municipal Solid Wastes (Management and Handling) Rules, 2000 (“Waste Management Rules, 2000”) as superseded by Solid Waste Management Rules, 2016 (“Waste Management Rules, 2016”)

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

GENERAL CORPORATE COMPLIANCE**Companies Act, 2013 (the “Companies Act”)**

The Companies Act, 2013, has replaced the Companies Act, 1956 in a phased manner. The Act received the assent of President of India on 29th August 2013. The Companies Act deals with incorporation of companies and the procedure for incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The procedure related to appointment of Directors. The procedure relating to winding up, voluntary winding up, appointment of liquidator also forms part of the Act. Further, Schedule V (read with sections 196 and 197), Part I lays down the conditions to be fulfilled for the appointment of a managing or whole-time director or manager. It provides the list of Acts under which if a person is prosecuted, he cannot be appointed as the director or Managing Director or Manager of a Company. The provisions relating to remuneration of the directors payable by the companies is under Part II of the said schedule.

The Registration Act, 1908 (the “Registration Act”)

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

EMPLOYMENT AND LABOUR LAWS

The Code on Wages, 2019 (the “Code”)

The Code received the assent of the President of India on August 8, 2019. The provisions of the Code shall come into effect from the date notified in the Official Gazette by the Central Government. The Code will replace the four existing ancient laws namely (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees and allows the Central Government to set a minimum statutory wage.

The four existing laws are as follows:

- **The Payment of Wages Act, 1936**

Payment of Wages Act, 1936, as amended, Payment of Wages (Amendment) Act, 2017 is aimed at regulating the payment of wages to certain classes of persons employed in certain specified industries and to ensure a speedy and effective remedy for them against illegal deductions or unjustified delay caused in paying wages to them. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

- **The Minimum Wages Act, 1948**

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

- **The Payment of Bonus Act, 1965 (the “PoB Act”)**

The PoB Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

- **The Equal Remuneration Act, 1976**

The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Remuneration Act, no employer shall pay to any worker, employed by him/her in an establishment, a remuneration (whether payable in cash or in kind) at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment for performing the same work or work of a similar nature. In addition, no employer shall for complying with the foregoing provisions of the Remuneration Act, reduce the rate of remuneration of any worker. No employer shall, while making recruitment for the same work or work of a similar nature, or in any condition of service subsequent to recruitment such as promotions, training or transfer, make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force.

Occupational Safety, Health and Working Conditions Code, 2020

The Government of India enacted ‘The Occupational Safety, Health and Working Conditions Code, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate 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 laws that it shall subsume are as follows –

- **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 requires establishments that employ or have employed on any day in the preceding twelve months fifty or more workers as contract labour to be registered. The Act requires the principal employer of an establishment to which the Contract Labour Act applies to make an application for registration of the establishment to employ contract labour in the establishment. Contractor to whom the Contract Labour Act applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. The Contract Labour Act imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities and provision of drinking water and payment

of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time.

- **Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

This law is applicable to all the establishments employing five or more migrant workmen from other states. In addition to this, this law is also applicable to contractors who have employed five or more inter-State workmen. The establishment must be registered with the local authority while employing migrant workers. This means that if an establishment is prohibited from employing migrant workers from other states if they do not have a certificate from the concerned authority. The same law applies to the contractors too who employ workers from one state and deploy them in other states. As per this law, the contractors deploying the migrant workers must provide terms and conditions of the recruitment to the workers. These are the remuneration payable, hours of work, fixation of wages and other essential amenities.

- **The Factories Act, 1948**

The Factories Act, 1948, as amended, defines a “factory” to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which a manufacturing process is carried on with the aid of power or any premises where at least 20 workers are employed, and where a manufacturing process is carried on without the aid of power. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration/licensing thereof. The Factories Act provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

Industrial Relations Code, 2020

The Government of India enacted ‘The Industrial Relations Code, 2020’ which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. Currently the laws are as follows –

- **Industrial Disputes Act, 1947**

The Industrial Disputes Act, 1947 provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal, or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workers. The ID Act further provides for direct access for the workers to labour courts or tribunals in case of individual disputes and provided for the constitution of grievance settlement machineries in any establishment having twenty or more workers.

- **Trade Unions Act, 1926**

Provisions of the Trade Union Act, 1926 provides that any dispute between employers and workmen or between workmen and workmen, or between employers and employers which is connected with the employment, or non-employment, or the terms of employment or the conditions of labour, of any person shall be treated as trade dispute. For every trade dispute a trade union has to be formed. For the purpose of Trade Union Act, 1926, Trade Union means combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen, or between employers and employers, or for imposing restrictive condition on the conduct of any trade or business etc.

- **Industrial Employment (Standing Orders) Act, 1946 (the “Standing Orders”)**

The Standing Orders were passed by the Central Government to bring uniformity in the terms of employment in industrial establishments so as to minimize industrial conflicts. The Standing Orders play a key role in defining the terms and conditions of employment within an industrial employment. The highlights of the Standing Orders such as classification of workmen, manner of intimation to workers about work and wage related details. Attendance and conditions for leaves, conditions of termination of employment and means of redressal for workmen in different matters.

Code on Social Security, 2020

The Government of India enacted ‘The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the Central Government. It proposes to subsume several separate legislations including the Employee’s Compensation Act, 1923, the

Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. The laws that the code shall subsume, are currently as follows –

- **Employee's Compensation Act, 1923**

The Employees' Compensation Act, 1923 provides for payment of compensation to injured employees or workmen by certain classes of employers for personal injuries caused due to an accident arising out of and during the course of employment. Under the Employees' Act, the amount of compensation to be paid depends on the nature and severity of the injury. The Employees' Act also lays down the duties/obligations of an employer and penalties in cases of non-fulfilment of such obligations thereof. There are separate methods of calculation or estimation of compensation for injury sustained by the employee. The employer is required to submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within seven days of death/serious bodily injury.

- **Employee's State Insurance Act, 1948**

It is an Act to provide for certain benefits to employees in case of sickness, maternity and 'employment injury' and to make provision for certain other matters in relation thereto. It shall apply to all factories (including factories belonging to the Government) other than seasonal factories. The ESI Act requires all the employees of the establishments to which this Act applies to be insured in the manner provided there under. Employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

- **Employee's Provident Fund and Miscellaneous Provisions Act, 1952**

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act (as mentioned above) frames Employees Provident Scheme, 1952.

- **Maternity Benefit Act, 1961**

The Act provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The Act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this Act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

- **Payment of Gratuity Act, 1972**

The Act shall apply to every factory, mine plantation, port and railway company; to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; such other establishments or class of establishments, in which ten or more employees are employed, on any day of the preceding twelve months, as the Central Government, may by notification, specify in this behalf. A shop or establishment to which this Act has become applicable shall be continued to be governed by this Act irrespective of the number of persons falling below ten at any day. The gratuity shall be payable to an employee on termination of his employment after he has rendered continuous service of not less than five years on superannuation or his retirement or resignation or death or disablement due to accident or disease. The five-year period shall be relaxed in case of termination of service due to death or disablement.

Employees' Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under section 6C of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the Act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount

received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995

Family pension in relation to this Act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this Act. Every employee who is member of EPF or PF has an option of the joining the scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the all the employees who are members of the fund.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the "Act")

In order to curb the rise in sexual harassment of women at workplace, this Act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the Act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organising awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

Child Labour (Prohibition and Regulation) Act, 1986 (the "CLPR Act")

The "CLPR Act seeks to prohibit the engagement of children in certain employments and to regulate the conditions of work of children in certain other employments. Part B of the Schedule to the CLPR Act strictly prohibits employment of children in cloth printing, dyeing and weaving processes and cotton ginning and processing and production of hosiery goods.

TAX RELATED LEGISLATIONS

Income Tax Act, 1961 (the "IT Act")

The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT Act or Rules made thereunder depending upon its Residential Status and Type of Income involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such Company is also required to file its returns by September 30 of each assessment year.

Central Goods and Services Tax Act, 2017 (the "GST Act")

The GST Act levies indirect tax throughout India to replace many taxes levied by the Central and State Governments. The GST Act was applicable from July 1, 2017 and combined the Central Excise Duty, Commercial Tax, Value Added Tax (VAT), Food Tax, Central Sales Tax (CST), Introit, Octroi, Entertainment Tax, Entry Tax, Purchase Tax, Luxury Tax, Advertisement Tax, Service Tax, Customs Duty, Surcharges. GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single state is levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that state. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax; therefore, taxes are paid to the state where the goods or services are consumed and not the state in which they were produced.

INTELLECTUAL PROPERTY LEGISLATIONS

In general, the Intellectual Property Rights includes but is not limited to the following enactments:

- Indian Copyright Act, 1957
- The Trade Marks Act, 1999
- The Designs Act, 2000

- The Patent Act, 1970

The Acts applicable to our Company will be:

Trade Marks Act, 1999 (the “TM Act”)

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

ANTI-TRUST LAWS

Competition Act, 2002 (the “Act”)

The Act is to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The Act deals with prohibition of anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Negotiable Instrument Act 1881, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959, Consumer Protection Act 2019, Indian Contract Act, 1872, Transfer of Property Act, 1882, Information Technology Act, 2000 etc.

OTHER LAWS:

Foreign Exchange Management Act, 1999 (“FEMA”)

FEMA was enacted by the Government of India to replace the erstwhile Foreign Exchange Regulation Act, 1973 (“FERA”). The Act was aimed at consolidating and amending the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA has removed restrictions on trade in goods and services to and from India, except for the enabling provision for the Central Government to impose reasonable restrictions in the interest of public when required.

Foreign Trade (Development and Regulation) Act, 1992 (the “Act”)

The Act regulates and governs the foreign policy of India in relation to trade of goods and services. The Act was enacted in the year 1992 as a replacement of the Import and Exports (Control) Act, 1947. The objective of the Act was to provide 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. Through the Foreign Trade (Development and Regulation) Amendment Act of 2010, "services" was also included in the ambit of import and export of trade in the purview of the Act.

Foreign Direct Investment

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), has issued consolidated FDI Policy Circular of 2020 (“FDI Policy 2020”), which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. The Reserve Bank of India (“RBI”) also issues Master Directions Foreign Investment in India and updates at the same from time to time. Presently, FDI in India is being governed by Master Directions on Foreign Investment No. RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated January 4, 2018, as updated from time to time by RBI. In terms of the Master Directions, an Indian company may issue fresh shares to people resident outside India (who 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 Directions. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including the filing of Form FC-GPR.

The Micro, Small and Medium Enterprises Development Act, 2006

Our company is registered as SME with the District Industries Centre. Small and medium scale enterprises (SMEs) are understood in India as enterprises where the investment in plant and machinery or equipments is between ₹ 25 lakhs to ₹10 crores in case of a manufacturing industry and between ₹ 10 lakhs to ₹ 5 Crores in case of a service sector enterprise. This definition is provided in Section 7 of Micro, Small & Medium Enterprises Development Act, 2006 (MSMED Act) and was notified in September 2006. The Act provides for classification of enterprises based on their investment size and the nature of the activity undertaken by that enterprise.

OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

BRIEF HISTORY AND CORPORATE PROFILE

Our Company was originally incorporated as Comrade Appliances Private Limited on March 22, 2017 vide certificate of incorporation bearing CIN U74999MH2017PTC292817 as a Private Limited Company under the provisions of the Companies Act, 2013 issued by Registrar of Companies, Central Registration Centre. Subsequently, pursuant to a Special Resolution of our Shareholders passed at the Extra-Ordinary General Meeting held on November 10, 2022, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to 'Comrade Appliances Limited' and a Fresh Certificate of Incorporation consequent to Conversion was issued on December 13, 2022 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U74999MH2017PLC292817.

As on date of this Draft Red Herring Prospectus, our Company has Seven (7) shareholders.

Our Company is promoted by M/s Troupe Technologies Private Limited, Mr. Khursheed Alam and Mr. Mehboob Alam.

Our Company is engaged in the process of manufacturing an extensive array of Air Coolers and Electric Geysers. Designed by the use of quality resources, these are available in several specifications as per the exact requirements of our customers. Our product range is appreciated by our customers owing to their lightweight, easy to use, customized size, reasonable price and long-term durability. We have been proactive in introducing the latest technologies and successfully delivering high quality products to all of our clients. We are committed to surpassing customer expectations and achieving customer loyalty with our excellent product quality. We strictly adhere to professional integrity and ethical practices, aiming for 100% customer satisfaction. We are always committed to fulfilling the requirements of our clientele according to their needs. In order to meet these requirements, we have adapted the best measures in the industry. We believe that extensive research, training and continuous upgrading of technology maintains the standards and quality of our products. We are providing products that ensure customer satisfaction. We have long-term and stable relationships developed over the years with our key customers through the quality we provide.

For information on our Company's business profile, activities, services, managerial competence, and customers, see chapters titled, "***Our Business***", "***Financial Statements as Restated***", and "***Management's Discussion and Analysis of Financial Condition and Results of Operations***" beginning on page 99, 149 and 150 respectively of this Draft Red Herring Prospectus.

ADDRESS OF REGISTERED OFFICE

Our company's registered office situated at Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West, Mumbai - 400102, Maharashtra, India.

CHANGES IN OUR REGISTERED OFFICE

Except as stated below, there has not been any change in our Registered office of the Company from Incorporation till date of this Draft Red Herring Prospectus.

| Effective Date | From | To | Reason for Change |
|--------------------|---|--|----------------------|
| September 08, 2017 | 59, Level-2, Oasis Shopping Commercial CHS Ltd, SV Road, Deewan Centre, Mumbai – 400102, Maharashtra, India | Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West, Mumbai - 400102, Maharashtra, India. | For Operational ease |

MAJOR EVENTS AND MILESTONES

The table below sets forth some of the key events in the history of our Company:

| Calendar Year | Particulars |
|---------------|--|
| 2017 | Incorporation of our company in the name and style of "Comrade Appliances Private Limited" |
| 2021 | Our Company took over the business of its sister concern company M/s Troupe Technologies Private Limited (TTPL) on slump sale basis |
| 2021 | Our Company was issued ISO 9001:2015 Certificate for Quality Management System |
| 2022 | Conversion of our Company from Private Limited Company to Public Limited Company and Change of name of Company to Comrade Appliances Limited |

MAIN OBJECTS OF OUR COMPANY

The object clause of the Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised in the present Issue.

Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main object of our Company is:

- 1) To design, develop, invent, assemble, fabricate, manufacture, distribute, market, sell, service, repair, replace refrigeration, air conditioning plants, cold storage machinery, cooling appliances, apparatuses and machinery, freezing, dehydrating equipment, dehumidifying equipment, heating equipment, boilers, industrial furnaces, kitchen equipment, complete and parts, accessories, articles and fittings thereof, fabrication of these out of any metal and fiber reinforced plastic.
- 2) To manufacture, produce, process or assemble and deal in air and gas treatment plants and equipment, air conditioning plants, chilling plants, refrigeration, cold storage machinery and equipment, industrial fans, steam heaters, air filters, air curtains, spray painting booths and complete systems relating to air and gas technology.
- 3) To carry on the business of manufacturers and dealers in machinery and plant of every description and kind and in particular machine tools and implements, and to manufacture, produce, repair, alter, convert, recondition, prepare for sale, buy, sell, hire, import, export, let on hire, trade and deal in machine tools and implements, plant equipment, articles, apparatus, appliances, components, parts, accessories, fittings and things in any stage or degree of manufacture, process or refinement.
- 4) To execute the jobs of air conditioning, cooling, refrigeration and heating of premises, vehicles, railway coaches and wagons.
- 5) To carry on the business of designers, manufacturers, producers, fabricators, assemblers, importers, exporters, buyers, sellers, dealers, stockist. Suppliers, wholesalers, retailers, jobbers, contractors, repairers and hirers of all kinds of electrical and non-electrical home appliances and apparatus such as fans, exhaust fan, cooler fan, fresh air fan, airy fans, kitchen fans, table, ceiling and pedestal fan, heat connector, shearing and knitting machines, pressure cooker, lighting equipment, fans, electric kilowatt, hour meters, switches and motor of all types drill, electric grinders and domestic appliances, air conditioners, refrigerators, room and desert coolers, iron presses, geysers, mixers, toasters, water filters, washing machines, carburetors and other similar equipment and components thereof.
- 6) To carry on the business as manufacturers, assemblers, fabricators and dealers of electronic equipment such as radios, television sets, tele-printers, telecommunication equipment, telephone equipment, radars, computers, business machines, invertors. Converters, uninterrupted power supply systems and their components, valves, transistors, diodes, resistors, condenser, coils, motors and generators.
- 7) To carry on the business of manufacturers, importers, exporters and distributors of home appliances and appoint dealers and establish company's repair shops, company's sale depots / retail outlets and to act as sale / service agents for Indian / overseas principles for product and other related items.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY

The following changes have been made in the Memorandum of Association of our Company in last ten (10) years:

| Date of Meeting | Meeting | Nature of Amendment |
|-------------------|---------|--|
| June 23, 2017 | EGM | <u>Increase in Authorised Capital:</u> Increase in Authorised Share Capital from ₹ 1.00 Lakh to ₹ 2.00 Crore. |
| November 19, 2018 | EGM | <u>Increase in Authorised Capital:</u> Increase in Authorised Share Capital from ₹ 2.00 Crore to ₹ 3.00 Crore. |
| May 15, 2019 | EGM | <u>Increase in Authorised Capital:</u> Increase in Authorised Share Capital from ₹ 3.00 Crore to ₹ 5.00 Crore. |
| April 09, 2021 | EGM | <u>Increase in Authorised Capital:</u> Increase in Authorised Share Capital from ₹ 5.00 Crore to ₹ 6.00 Crore. |
| November 10, 2022 | EGM | <u>Alteration of Name Clause:</u> |

| | | |
|-------------------|-----|--|
| | | Alteration of name clause by way of conversion of company from Private Limited to Public Limited i.e., Change of name from “ <i>Comrade Appliances Private Limited</i> ” to “ <i>Comrade Appliances Limited</i> ”. |
| December 20, 2022 | EGM | <u>Increase in Authorised Capital:</u> Increase in Authorised Share Capital from ₹ 6.00 Crore to ₹ 8.50 Crore. |

ADOPTING NEW ARTICLES OF ASSOCIATION OF THE COMPANY

Our Company has adopted a new set of Articles of Association of the Company in accordance with applicable provisions of the Companies Act 2013 in the Extra Ordinary General Meeting of the Company dated November 10, 2022.

DETAILS REGARDING ACQUISITION OF BUSINESS / UNDERTAKINGS, MERGERS, AMALGAMATIONS OR REVALUATION OF ASSETS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years other than the following.

| Name of the Entity | Nature of the Transaction | Type of Consideration | Date of Transaction |
|---|----------------------------------|--|---------------------|
| M/s Troupe Technologies Private Limited | Business Takeover of the company | Issued Equity Shares in the lieu of cash consideration | March 31, 2021 |

DETAILS REGARDING HOLDING / SUBSIDIARY, ASSOCIATE COMPANIES AND JOINT VENTURE

As on date of filing of this Draft Red Herring Prospectus, our Company does not have any Holding or Subsidiary or Associate Company or Joint Venture.

CAPACITY / FACILITY CREATION, LOCATION OF PLANTS

For details of our Company’s capacity, Facility creation, location of plants, technology, marketing strategy, competition, and our customers, please refer section titled ‘*Our Business*’ beginning on page 99 of this Draft Red Herring Prospectus.

GUARANTEES PROVIDED BY OUR PROMOTERS

As on the date of this Draft Red Herring Prospectus, no guarantee has been issued by Promoters except as disclosed in the “*Statement of Financial Indebtedness*” on page 150 of this Draft Red Herring Prospectus.

CHANGES IN THE ACTIVITIES OF OUR COMPANY SINCE INCORPORATION

There have been no changes in the activities of our Company since incorporation which may have had a material effect on the profits and loss account of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

DEFAULTS OR RESCHEDULING OF BORROWINGS FROM FINANCIAL INSTITUTIONS / BANKS

There have been no defaults or rescheduling / restructuring of borrowings with financial institutions / banks in respect of borrowings of our Company.

LOCK OUTS AND STRIKES

There have been no lock outs or strikes at any of the units of our Company.

TIME AND COST OVER RUNS

Our Company has not implemented any projects and has therefore, not experienced any time or cost overrun in setting up of projects.

SHAREHOLDERS’ AGREEMENTS

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any Shareholders’ Agreements.

AGREEMENTS WITH KEY MANAGERIAL PERSONNEL OR A DIRECTOR OR PROMOTERS OR ANY OTHER EMPLOYEE OF THE COMPANY

Except as mentioned in Chapter titled '*Our Management*' beginning on page 121 of this Draft Red Herring Prospectus, there are no agreements entered into by key managerial personnel or a Director or Promoters or any other employee of the Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

MATERIAL AGREEMENTS

As on the date of this Draft Red Herring Prospectus, our Company has not entered into any material agreements other than in the ordinary course of business carried on by our Company. For details on business agreements of our Company, please refer to the section titled '*Our Business*' beginning on page 99 of this Draft Red Herring Prospectus.

STRATEGIC PARTNERS

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

FINANCIAL PARTNERS

As on the date of this Draft Red Herring Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

OUR MANAGEMENT

Under Articles of Association of our Company, the number of directors shall not be less than 3 (three) and not be more than 15 (Fifteen), subject to the applicable provisions of the Companies Act, 2013.

As of the date of this Draft Red Herring Prospectus, our Company has 5 (Five) Directors on the Board, 2 (Two) as Executive Director, 1 (One) as Non-Executive Directors and 2 (Two) as Independent Directors.

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

| Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term | Date of Appointment / Reappointment | Other Directorships / Designated Partners |
|--|---|---|
| Mr. Khursheed Alam DOB: July 28, 1977 Age: 45 Years Qualification: Masters in Business Administration Designation: Managing Director Address: Flat No. 101, A wing, Rizwan Apartment, Sagar Tower Road, Jogeshwari West, Mumbai-400102, Maharashtra, India Occupation: Business Nationality: Indian DIN: 07349338 Term: Appointed as Managing Director for a period of 5 years w.e.f. November 10, 2022 upto November 09, 2027. | Appointed as First Director upon Incorporation of the Company w.e.f. March 22, 2017 Appointed as Managing Director for a period of 5 years w.e.f. November 10, 2022 upto November 09, 2027 | Companies a) Troupe Technologies Private Limited b) WJT India Private Limited Limited Liability Partnerships a) NIL |
| Mr. Shakir Khan DOB: July 01, 1973 Age: 49 Years Qualification: Bachelor in Arts Designation: Executive Director Address: 403, Chaniyapura Jhansi, Uttar Pradesh-284002, India Occupation: Business Nationality: Indian DIN: 07719992 Term: Liable to retire by rotation | Appointed as First Director upon Incorporation of the Company w.e.f. March 22, 2017. Further, Change in Designation from Executive Director to Non-Executive Director w.e.f. November 10, 2022. Further, Change in Designation from Non-Executive Director to Executive Director w.e.f. January 02, 2023. | Companies NIL Limited Liability Partnerships NIL |
| Mr. Mehboob Alam DOB: April 01, 1979 | Appointed as First Director upon Incorporation of the Company w.e.f. March 22, 2017. | Companies NIL |

| Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term | Date of Appointment / Reappointment | Other Directorships / Designated Partners |
|--|---|---|
| Age: 43 Years Qualification: Masters of Arts Designation: Non-Executive Director Address: 44 Inside Bara Gaon Gate, Jhansi-284002 Uttar Pradesh, India Occupation: Business Nationality: Non-Resident Indian DIN: 07620289 Term: Liable to retire by rotation | Further, Change in Designation from Executive Director to Non-Executive Director w.e.f. January 02, 2023. | Limited Liability Partnerships NIL |
| Ms. Sonu Dhariwal DOB: October 22, 1969 Age: 53 Qualification: HSC Designation: Independent Director Address: 368 E-1, Naneshvila Kalani Nagar, Indore-452005, Madhya Pradesh, India Occupation: Business Nationality: Indian DIN: 05359013 Term: Appointed as Independent Director of the Company for a period of 5 years w.e.f. November 10, 2022 upto November 09, 2027. | Appointed as Independent Director of the Company w.e.f. November 10, 2022 upto November 09, 2027. | Companies NIL Limited Liability Partnerships NIL |
| Mr. Rajan Agarwal DOB: October 01, 1963 Age: 59 years Qualification: Bachelor in Commerce Designation: Independent Director Address: E- 563, Greater Kailash- 2, South Delhi-110048, Delhi, India Occupation: Business Nationality: Indian | Appointed as Independent Director of the Company w.e.f. November 10, 2022 upto November 09, 2027. | Companies a) Progressive Commutators Private Limited Limited Liability Partnerships a) NIL |

| Name, Father's / Husband's Name, Age, Designation, Address, Occupation, Nationality, DIN and Term | Date of Appointment / Reappointment | Other Directorships / Designated Partners |
|---|-------------------------------------|---|
| DIN: 01282739 Term: Appointed as Independent Director of the Company for a period of 5 years w.e.f. November 10, 2022 upto November 09, 2027 | | |

BRIEF PROFILE OF OUR DIRECTORS

Mr. Khursheed Alam, aged 45 years, is the Founder, Promoter and Managing Director of our Company. He is the Director of the Company since Incorporation of the Company. He was later reappointed as Managing Director with effect from November 10, 2022. He has more than 5 years of experience in the field of OEM. He is a visionary entrepreneur and has played a pivotal role in setting up business of our Company. He primarily looks after the overall business operations of the Company. He is the driving force behind the working of the company and has been the mentor to all the employees. His vast industry knowledge and experience has helped company to grow many folds. As a leader, he always delivers value to the customers and endeavour in fulfilling / exceeding their expectations and is involved in day-to-day execution of projects.

Mr. Shakir Khan, aged 49 years, is the Executive Director of the Company. He was appointed as First Director upon Incorporation of the Company w.e.f. March 22, 2017. Further, his designation was changed from Executive Director to Non-Executive Director w.e.f. November 10, 2022. He later became Executive Director w.e.f. January 02, 2023. He has more than 5 years of experience. He has Bachelor of Arts. He has been responsible for the sales and marketing. His expertise has led the company grow since its incorporation. Currently, he is Director of the Company and operations head and over sees the execution of each service of the company.

Mr. Mehboob Alam, aged 43 is the Non-Executive Director of our Company. He was appointed as appointed as First Director upon Incorporation of the Company w.e.f. March 22, 2017. His designation was further changed from Executive Director to Non-Executive Director w.e.f. January 02, 2023. He has Masters of Arts. His role in the company includes overseeing whether company's programmes are being executed in right direction as per its aim and objectives, recommending business policies to the board governing the company, establishing long-term business plans for supporting the vision and values of the company. He is responsible for providing strategic advice and guidance to the members of the board, to keep them aware of developments within the industry and ensure that the appropriate policies are developed to meet the company's mission and objectives and to comply with all relevant statutory and other regulations.

Ms. Sonu Dhariwal, aged 53 is appointed as Independent Director of the Company for a period of 5 years w.e.f. November 10, 2022 upto November 09, 2027. She is guiding the Company with his Independent view and impartial opinion.

Mr. Rajan Agarwal, aged 53 is appointed as Independent Director of the Company for a period of 5 years w.e.f. November 10, 2022 upto November 09, 2027. He is Graduated in B.Com in the year 1963 from University of Delhi. He has experience of more than 23 years of experience in the field of management, technology, leadership, sales and marketing. He has guided the Companies with his widespread knowledge and rich experience. He sets company's strategic direction while overseeing all operations and management matters.

CONFIRMATIONS

- Except as stated below, none of the Directors and Key Managerial Personnel of our Company are related to each other as per Section 2(77) of the Companies Act, 2013.

| Sr. No | Name of the Director/KMP | Name of the Director | Relationship |
|--------|--------------------------|----------------------|--------------|
| 1. | Mr. Khursheed Alam | Mr. Mehboob Alam | Brothers |

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or Member of Senior Management.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.

- As on the date of this Draft Red Herring Prospectus, none of our directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.
- As on the date of this Draft Red Herring Prospectus, none of our Directors are Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- As on the date of this Draft Red Herring Prospectus, none of our director is or was a director of any listed Company during the last 5 (five) years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such Company.
- As on the date of this Draft Red Herring Prospectus, none of our director is or was a director of any listed Company which has been or was delisted from any stock exchange during the term of their directorship in such Company.
- As on the date of this Draft Red Herring Prospectus, none of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoters, director or person in control of any other Company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No proceedings / investigations have been initiated by SEBI against any Company, the Board of Directors of which also comprises any of the Directors of our Company.

REMUNERATION / COMPENSATION TO OUR DIRECTORS

The compensation payable to our Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Section 2(54), Section 2(94), Section 188, Section 196, Section 197, Section 198 and Section 203 and any other applicable provisions, if any of the Companies Act, 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). Set forth below is the remuneration payable by our Company to our Directors for a financial year:

(₹ in Lakh)

| Sr. No. | Name of Director | Remuneration shall not exceed |
|---------|--------------------|-------------------------------|
| 1. | Mr. Khursheed Alam | 45.00 |
| 2. | Mr. Shakir Khan | 8.00 |
| | Total | 53.00 |

Remuneration paid for F.Y. 2021-22, the directors have been paid gross remuneration as follows:

(₹ in Lakh)

| Sr. No. | Name of Director | Remuneration paid |
|---------|--------------------|-------------------|
| 1. | Mr. Khursheed Alam | 30.00 |
| 2. | Mr. Shakir Khan | 5.88 |
| 3. | Mr. Mehboob Alam | 24.40 |
| | Total | 60.28 |

TERMS AND CONDITIONS OF EMPLOYMENT OF OUR DIRECTORS

Mr. Khursheed Alam

Mr. Khursheed Alam, is the Founder, Promoter and Managing Director of our Company. He is the Director of the Company since Incorporation of the Company. He was later Appointed as Managing Director with effect from November 10, 2022 for a period of 5 (five) years till November 09, 2027. The significant terms of his employment are as below:

| | |
|---|---|
| Remuneration | Upto ₹ 45.00 Lakh per annum |
| Bonus and Profit-sharing Ratio | Not Applicable |
| Term | Appointed as Managing Director for a period of 5 (five) years commencing from November 10, 2022 for a period of 5 (five) years till November 09, 2027. |
| Remuneration in the event of loss or inadequacy of profits | In the event of inadequacy or absence of profits in any financial years during his tenure, the Director will be paid remuneration as mentioned in Schedule V as may be approved by the Shareholders of the Company. |

Mr. Shakir Khan

Mr. Shakir Khan, is the Executive Director of the Company. He is the Director of the Company since Incorporation of the Company, later his designation was changed to Non-Executive Director w.e.f November 10, 2022. Further his designation was changed to Executive Director w.e.f. January 02, 2023. He has been associated with company since its incorporation. The significant terms of his employment are as below:

| | |
|---|---|
| Remuneration | Upto ₹ 8.00 Lakh per annum |
| Bonus and Profit-sharing Ratio | Not Applicable |
| Term | Appointed as First Director of our Company w.e.f. March 22, 2017. Further, Change in Designation from Executive Director to Non-Executive Director w.e.f November 10, 2022. Further, Change in Designation from Non-Executive Director to Executive Director w.e.f. January 02, 2023. |
| Remuneration in the event of loss or inadequacy of profits | In the event of inadequacy or absence of profits in any financial years during his tenure, the Director will be paid remuneration as mentioned in Schedule V as may be approved by the Shareholders of the Company. |

SITTING FEES

The payment of sitting fees to the Non-Executive Director and Independent Directors of the Company for attending the meeting of the Board of Directors and meetings of the Committees of the Board of Directors in following manner:

| Sr. No. | Name of Director | Fees for attending the meeting of | |
|---------|-------------------|-----------------------------------|-----------------------|
| | | Board of Directors | Committee Meetings |
| 1. | Mr. Mehboob Alam | ₹ 2,000/- per Meeting | ₹ 2,000/- per Meeting |
| 2. | Ms. Sonu Dhariwal | ₹ 2,000/- per Meeting | ₹ 2,000/- per Meeting |
| 3. | Mr. Rajan Agarwal | ₹ 2,000/- per Meeting | ₹ 2,000/- per Meeting |

BORROWING POWERS OF OUR BOARD

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by our shareholders at their Extra Ordinary General Meeting held on November 09, 2022, our shareholders have authorized our Board to borrow any sum of money from time to time notwithstanding that the sum or sums so borrowed together with the monies, if any, already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the paid up capital and free reserves of the Company provided such amount does not exceed ₹ 20,000.00 Lakhs over and above the aggregate of the paid up share capital and free reserves which may have not been set apart for any purpose.

SHAREHOLDING OF DIRECTORS IN OUR COMPANY

Our Articles of Association do not require our Directors to hold qualification shares.

As on date of this Draft Red Herring Prospectus, our Directors hold the following number of Equity Shares of our Company:

| Sr. No. | Name of Directors | No. of Equity Shares Held (Pre-Issue) | % of pre-Issue capital |
|---------|--------------------|---------------------------------------|------------------------|
| 1 | Mr. Khursheed Alam | 799,985 | 15.24 |
| 2 | Mr. Shakir Khan | 490,000 | 9.33 |
| 3 | Mr. Mehboob Alam | 2,033,705 | 38.73 |
| 4 | Ms. Sonu Dhariwal | Nil | Nil |
| 5 | Mr. Rajan Agarwal | Nil | Nil |

INTEREST OF OUR DIRECTORS

Our Managing Director & Executive Director may be interested to the extent of remuneration paid to them, respectively for services rendered as a Directors of our Company and reimbursement of expenses payable to them. For details, please refer "Terms and conditions of employment of our Managing Director and Executive Director" above. Further, all our Non-Executive and Independent Directors may be interested to the extent of fees payable to them and / or the commission payable to them for attending meetings of the Board of Directors or a committee thereof. The Independent Directors are

paid sitting fees for attending the meetings of the Board and Committees of the Board and may be regarded as interested to the extent of such sitting fees and reimbursement of other expenses payable to them as per their terms of appointment.

Three of our Directors, Mr. Khursheed Alam, Mr. Mehboob Alam, and Mr. Shakir Khan may be deemed to be interested in the Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them if any.

Interest in promotion of our Company

Except as stated in this chapter titled “*Our Management*” and heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*” beginning on page nos. 125 and 149 of this Draft Red Herring Prospectus respectively and to the extent to remuneration received/ to be received by our directors, none of our Directors have any interest in the promotion of our Company.

Interest in the property of our Company

Except as stated in the chapter titled “*Related Party Transaction*” beginning on page 142 of this Draft Red Herring Prospectus, our Directors have not entered into any contract, agreement or arrangements within a period of 2 (two) years preceding the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them. Further our directors do not have any interest in any immovable property to be acquired by the Company except otherwise disclosed in the heading titled “Our Properties” under the chapter titled “*Our Business*” beginning on page 99 of this Draft Red Herring Prospectus.

Interest as Creditor of our Company

As on the date of this Draft Red Herring Prospectus, except as stated in the chapter titled “Statement of Financial Indebtedness” and heading titled “*Related Party Transactions*” under chapter titled “*Financial Statements as Restated*”, our Company has not availed loans from Directors of our Company.

Interest in the business of Our Company

Further, save and except as stated otherwise in “Statement of Related Parties’ Transactions” in the chapter titled “*Financial Statements as Restated*” of this Draft Red Herring Prospectus, our directors do not have any other interests in our Company as on the date of this Draft Red Herring Prospectus, except to the extent of their shareholding in our Company and/ or their relative shareholding in our Company and/ or any dividends paid/ payable to them and/ or their relatives and/or any other distributions in respect of the Equity Shares of our Company.

Our Directors are not interested in the appointment of Underwriters, Market Makers Registrar and Bankers to the Issue or any such intermediaries registered with SEBI as required to be appointed for the process of listing;

Interest in transactions involving acquisition of land

Our directors are not currently interested in any transaction with our Company involving acquisition of land. Except as stated / referred to under the heading titled “Our Properties” under chapter titled “*Our Business*” beginning on page 99 of this Draft Red Herring Prospectus, our directors have not entered into any contract, agreement or arrangements in relation to acquisition of property, since incorporation in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Interest as Directors of our Company

Except as stated in the chapter titled “*Our Management*”, “*Capital Structure*” and “*Related Party Transactions*” on page no. 125, 59 and 147 of this Draft Red Herring Prospectus, our Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of agreements entered into with our Company, if any and in terms of our AOA,

Other Interests

Except as stated above, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our directors or to the firms or companies in which they are interested as a member by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or Company in which he is interested, in connection with the promotion or formation of our Company.

Further, our directors may be directors on the board, or are members, or are partners, or are trustees of certain Group Entities and may be deemed to be interested to the extent of the payments made by our Company, if any, to such Group Entities. For the payments that are made by our Company to certain Group Entities, please refer chapters titled “*Financial Statements as Restated*” and “*Related Party Transactions*” beginning on page 149 and 147 of this Draft Red Herring Prospectus.

PAYMENT OF BENEFITS

Except to the extent of remuneration payable to the Managing Director & Executive Director for services rendered to our Company and to the extent of other reimbursement of expenses payable to them as per their terms of appointment, our Company has not paid in the last 2 (two) years preceding the date of this Draft Red Herring Prospectus, and does not intend to pay, any amount or benefits to our directors.

APPOINTMENT OF RELATIVES OF DIRECTORS TO ANY OFFICE OR PLACE OF PROFIT

Except as disclosed in this Draft Red Herring Prospectus, none of the relatives of our directors currently hold any office or place of profit in our Company.

BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS

None of our Directors are a party to any bonus or profit-sharing plan.

POLICIES ADOPTED BY OUR COMPANY

Our Company has adopted the following policies:

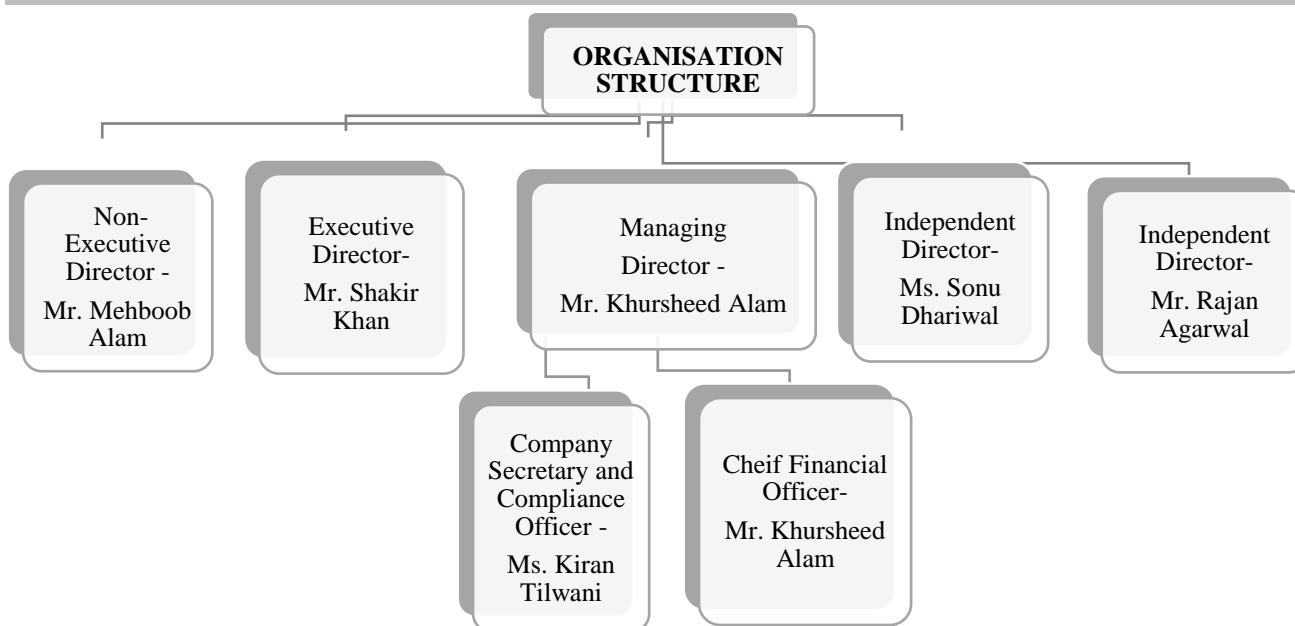
- a) Policy on Code of Conduct for Directors and Senior Management
- b) Policy of Audit Committee
- c) Policy of Nomination and Remuneration Committee
- d) Policy of Stakeholder Relationship Committee
- e) Policy of Corporate Social Responsibility
- f) Policy on Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information
- g) Policy on Disclosure and Internal Procedure for Prevention of Insider Trading
- h) Policy on Whistle Blower and Vigil Mechanism
- i) Policy on Related Party Transactions (RPT)
- j) Policy for Preservation of Documents and Archival of Documents
- k) Policy for Prevention of Sexual Harassment
- l) Policy on Materiality for Disclosures of events to Stock Exchanges
- m) Policy on Code of Independent Directors and Familiarization of Independent Director
- n) Policy for identification of Materiality of outstanding Litigations involving Company, its subsidiary, Directors, Promoters and other Group Companies
- o) Policy on Material Outstanding due to the Creditors

CHANGES IN OUR BOARD DURING THE LAST THREE YEARS

Except as disclosed below, there have been no changes in our Board during the last 3 (three) years.

| Sr. No. | Directors | Date of Event | Event |
|---------|--------------------|-------------------|---|
| 1. | Mr. Khursheed Alam | November 10, 2022 | Appointment as Managing Director and Chief Financial Officer |
| 2. | Mr. Shakir Khan | November 10, 2022 | Change in Designation from Executive Director to Non-Executive Director |
| 3. | Ms. Sonu Dhariwal | November 10, 2022 | Appointment as Independent Director |
| 4. | Mr. Rajan Agarwal | November 10, 2022 | Appointment as Independent Director |
| 5. | Mr. Mehboob Alam | January 02, 2023 | Change in Designation from Executive Director to Non-Executive Director |
| 6. | Mr. Shakir Khan | January 02, 2023 | Change in Designation from Non-Executive Director to Executive Director |

ORGANISATION STRUCTURE



CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013 with respect to Corporate Governance, provisions of the SEBI (LODR) Regulation, 2015 will also be complied with the extent applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchange.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, in respect of corporate governance including constitution of the Board and Committees thereof.

The Corporate Governance framework is based on an effective Independent Board, the Board's Supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The Board functions either as a full board or through the various committees constituted to oversee specific operational areas.

As on the date of this Draft Red Herring Prospectus, there are 5 (Five) Directors on our Board out of which one third are Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the Companies Act, 2013, particularly, in relation to appointment of Independent Directors to our Board and constitution of Board-level committees.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI (LODR) Regulation, 2015 and the Companies Act, 2013.

COMMITTEES OF OUR BOARD

The following committees have been constituted in terms of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013:

- a) Audit Committee
- b) Stakeholders' Relationship Committee
- c) Nomination and Remuneration Committee
- d) Internal Complaints Committee

Audit Committee

Our Company has constituted an Audit Committee ("Audit Committee"), as per Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015; vide resolution passed at the meeting of the Board of Directors held on January 02, 2023.

The terms of reference of Audit Committee adheres to the requirements of Regulation 18 of the SEBI (LODR) Regulation, 2015, proposed to be entered into with the Stock Exchange in due course.

The committee presently comprises the following 3 (Three) directors:

| Sr. No. | Name of Director | Status in Committee | Nature of Directorship |
|---------|-------------------|---------------------|------------------------|
| 1 | Mr. Rajan Agarwal | Chairman | Independent Director |
| 2 | Ms. Sonu Dhariwal | Member | Independent Director |
| 3 | Mr. Mehboob Alam | Member | Non-Executive Director |

The Company Secretary & Compliance Officer of our Company shall act as the Secretary to the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI (LODR) Regulation, 2015.

Meetings of Audit Committee and Quorum

As required under Regulation 18 of the SEBI (LODR) Regulation, 2015, the Audit Committee shall meet at least 4 (four) times in a year, and not more than 120 (one hundred twenty) days shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- a) To investigate any activity within its terms of reference;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary

Role of Audit Committee

The role of the Audit Committee shall include the following:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of statutory auditor of the Company;
- c) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

- d) Approving payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- e) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i. 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, as amended;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by the management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with SEBI Listing Regulations and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions; and
- vii. Qualifications / modified opinion(s) in the draft audit report.
- f) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;
- g) 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;
- h) Approval or any subsequent modification of transactions of our Company with related parties and omnibus approval for related party transactions proposed to be entered into by our Company subject to such conditions as may be prescribed;
 - i) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
 - j) Scrutinizing of inter-corporate loans and investments;
 - k) Valuing of undertakings or assets of the Company, wherever it is necessary;
 - l) Evaluating of internal financial controls and risk management systems;
 - m) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
 - n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - o) 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;
 - p) Discussing with internal auditors of any significant findings and follow up there on;
 - q) 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;
 - r) Discussing 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;
 - s) Looking 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;
 - t) Reviewing the functioning of the whistle blower mechanism;

- u) Approving the appointment of the Chief Financial Officer (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and
- v) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and / or specified / provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.
- w) Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- x) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

Further, the Audit Committee shall mandatorily review the following information:

- 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: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7).

Stakeholders' Relationship Committee

Our Company has constituted a shareholder / investors grievance committee "Stakeholders' Relationship Committee" to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on January 02, 2023.

The Stakeholders' Relationship Committee comprises:

| Sr. No. | Name of Director | Status in Committee | Nature of Directorship |
|---------|--------------------|---------------------|------------------------|
| 1 | Mr. Mehboob Alam | Chairman | Non-Executive Director |
| 2 | Mr. Khursheed Alam | Member | Managing Director |
| 3 | Mr. Rajan Agarwal | Member | Independent Director |

The Company Secretary & Compliance Officer of our Company shall act as the Secretary to the Stakeholders' Relationship Committee.

The Stakeholders Relationship Committee shall oversee all matters pertaining to investors of our Company. The scope and function of the Stakeholders' Relationship Committee and its terms of reference shall include the following:

Tenure

The Stakeholder's 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 Stakeholder's Relationship Committee as approved by the Board.

Meetings

The Stakeholder's Relationship Committee shall meet at least 1 (one) time in a year. The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.

Role of the Stakeholders' Relationship Committee

- a) The Committee shall consider and resolve grievances of security holders, including but not limited to:
- b) Efficient transfer of shares including review of cases for refusal of transfer / transmission of shares and debentures;
- c) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate / split / consolidated share certificates;
- d) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares and debentures;
- e) Allotment and listing of shares in future;
- f) Review of cases for refusal of transfer / transmission of shares and debentures;
- g) Reference to statutory and regulatory authorities regarding investor grievances;
- h) Ensure proper and timely attendance and redressal of investor queries and grievances; and
- i) To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Nomination and Remuneration Committee

Our Company has constituted a Nomination and Remuneration Committee in accordance Section 178 of Companies Act, 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on January 02, 2023.

The Nomination and Remuneration Committee comprises the following Directors:

| Sr. No. | Name of Director | Status in Committee | Nature of Directorship |
|---------|-------------------|---------------------|------------------------|
| 1 | Mr. Rajan Agarwal | Chairman | Independent Director |
| 2 | Ms. Sonu Dhariwal | Member | Independent Director |
| 3 | Mr. Mehboob Alam | Member | Non-Executive Director |

The Company Secretary & Compliance Officer of our Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope and function of the Committee and its terms of reference shall include the following:

Tenure

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

Meetings

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including atleast one independent director in attendance.

Role of the Nomination and Remuneration Committee not limited to but includes:

- a) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulating of criteria for evaluation of performance of independent Directors and the Board;
- c) Devising a policy on Board diversity;

- d) Identifying persons who are qualified to become directors of our Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. Our Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of our Company;
- e) Determining 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;
- f) Analyzing, monitoring and reviewing various human resource and compensation matters;
- g) Determining our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- h) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), usually consisting of a fixed and variable component;
- i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- j) Performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits) Regulations, 2014;
- k) Framing suitable policies, procedures and systems to ensure that there is no violation, by and employee id any applicable laws in India or Overseas, including:
 - i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, our Company and its employees, as applicable."
- l) Performing such other activities as may be delegated by the Board of Directors and / or specified / provided under the Companies Act, 2013 or SEBI Listing Regulations or by any other regulatory authority.

Internal Complaints Committee

An Internal Complaints Committee is constituted for our Company by the Board to look into the matters concerning sexual harassment pursuant to resolution of the Board of Directors dated January 02, 2023. The Internal Complaints consists of the following members.

| Sr. No. | Name | Status in Committee | Gender |
|---------|--------------------|---------------------|--------|
| 1. | Ms. Sonu Dhariwal | Presiding officer | Female |
| 2. | Mr. Fahad Patel | Member | Male |
| 3. | Ms. Triza Chettiar | Member | Female |
| 4. | Mr. Asif Sunasra | Member | Male |

A complainant can approach any member of the committee with her written complaint.

Tenure

The President and other members of the committee shall hold office for such period, not exceeding 3 (three) years, from the date of their nomination as may be specified by the employer.

Scope

This policy is applicable to employees, workers, volunteers, probationer and trainees including those on deputation, part time, contract, working as consultants or otherwise (whether in the office premises or outside while on assignment). This policy shall be considered to be a part of the employment contract or terms of engagement of the persons in the above categories.

Where the alleged incident occurs to our employee by a third party while on a duty outside our premises, the Company shall perform all reasonable and necessary steps to support our employee.

What Constitutes Sexual Harassment?

Sexual Harassment means such unwelcome sexually determined behaviour (directly or through implication), like physical contact and advances by the employee(s) including:

- a) A demand or request for sexual favours, sexually coloured remarks, showing pornography, any other unwelcome physical conduct of sexual nature, lurid stares, physical contact or molestation, stalking, sounds, display of pictures, signs;
- b) Eve teasing, innuendos and taunts, physical confinement against one's will;
- c) A demand or request for sexual favours, whether verbally or non-verbally, where the submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or promotion / evaluation of work thereby denying an individual equal opportunity at employment;
- d) An act or conduct by a person in authority which makes the environment at workplace hostile or intimidating to a person or unreasonably interferes with the individual's privacy and productivity at work;
- e) Verbal harassment of a sexual nature, such as lewd comments, sexual jokes or references, and offensive personal references; demeaning, insulting, intimidating, or sexually suggestive comments (oral or written) about an individual's personal appearance or electronically transmitted messages (Jokes, remarks, letters, phone calls);

Any other behaviour which an individual perceives as having sexual overtones.

Redressal Mechanism:

Once the complaint is received by the Committee:

- a) The person who is accused by the complainant will be informed that a complaint has been filed against him (he will be made aware of the details of the allegation and also the name of the complainant as it would be necessary for proper inquiry) and no unfair acts of retaliation or unethical action will be tolerated.
- b) The complainant has the opportunity to ask for conciliation proceedings by having communication with the accused in the presence of the Committee. Please note that in such conciliation the complainant cannot demand monetary compensation.
- c) The Committee shall provide the copies of the settlement as recorded during conciliation to the aggrieved employee and the respondent.
- d) If the matter has been settled by conciliation but the respondent is not complying with the terms and conditions, the aggrieved party can approach the Committee for Redressal.
- e) The Committee will question both the complainant and the alleged accused separately. If required, the person who has been named as a witness will need to provide the necessary information to assist in resolving the matter satisfactorily.
- f) The Committee shall call upon all witnesses mentioned by both the parties.
- g) The Committee can ask for specific documents from a person if it feels that they are important for the purpose of investigation.

The complainant has the option to seek transfer or leave so that the inquiry process can continue smoothly and to prevent recurrence of similar situations or discomfort to the complainant. The leave can extend for a maximum period of 3 months. Leave granted under this provision will be paid leave and will not be counted in the number of leaves that the complainant is statutorily entitled to. The complainant may be required to work from home, if it is practicable, keeping in mind the nature of work of the complainant, health and mental condition. However, the complainant is under a good faith obligation and shall not abuse the process to request unjustifiably long periods of leave, keeping in mind the economic effects of the leave to the organization. The Committee shall have the discretion to grant leave of an appropriate duration, depending on the facts and circumstances

Where leave is granted to the complainant, the Committee shall make best attempts to ensure speedy completion of the inquiry process and to minimize adverse economic consequences to the Company arising out of the absence of the complainant from the workplace.

- i. The complainant and the accused shall be informed of the outcome of the investigation. The investigation shall be completed within 3 months of the receipt of the complaint. If the investigation reveals that the complainant has been sexually harassed as claimed, the accused will be subjected to disciplinary action accordingly.
 - a) The report of the investigation shall be supplied to the employer (or the District Officer), the accused and the complainant within 10 days of completion of the investigation.
 - b) The employer or the District Officer will act on the recommendations of the Committee within 60 days of the receipt of the report.
- ii. The contents of the complaint made, the identity and addresses of the aggrieved employee, respondent and witnesses, any information relating to conciliation and inquiry proceedings, recommendations of the Internal Committee and the action taken by the employer shall not be published, communicated or made known to the public, press and media in any manner

Any party aggrieved by the report can prefer an appeal in the appropriate Court or Tribunal in accordance with the service rules within 90 days of the recommendation been given to the employer / District Officer.

Disciplinary Action:

Where any misconduct is found by the Committee, appropriate disciplinary action shall be taken against the accused. Disciplinary action may include transfer, withholding promotion, suspension or even dismissal. This action shall be in addition to any legal recourse sought by the complainant.

If it is found out through evidence by the Committee that the complainant has maliciously given false complaint against the accused, disciplinary action shall be taken against the complainant as well.

Regardless of the outcome of the complaint made in good faith, the employee lodging the complaint and any person providing information or any witness, will be protected from any form of retaliation. While dealing with complaints of sexual harassment, the Committee shall ensure that the complainant or the witness are not victimized or discriminated against by the accused. Any unwarranted pressures, retaliatory or any other type of unethical behaviour by the accused against the complainant while the investigation is in progress should be reported by the complainant to the Complaints Committee as soon as possible. Disciplinary action will be taken by the Committee against any such complaints which are found genuine.

This policy shall be disseminated to each employee of the Company as well as new recruits who will have to acknowledge that they have read and understood the policy and that they shall abide by the policy.

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 ("SEBI PIT Regulations") will be applicable to our Company immediately upon the listing of its Equity Shares on the SME Platform of BSE Limited. We shall comply with the requirements of the SEBI (PIT) Regulations on listing of Equity Shares on stock exchanges. Further, Board of Directors have formulated and adopted the code of conduct to regulate, monitor and report trading by its employees and other connected persons.

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.

OUR KEY MANAGERIAL PERSONNEL

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Given below are the details of the Key Managerial Personnel of our Company as prescribed under the Companies Act, 2013:

| Sr. No | Name of the KMPs | Designation |
|--------|--------------------|--|
| 1. | Mr. Khursheed Alam | Managing Director |
| 2. | Ms. Kiran Tilwani | Company Secretary & Compliance Officer |
| 3. | Mr. Khursheed Alam | Chief Financial Officer |

BREIF PROFILE OF KEY MANAGERIAL PERSONNEL:**1. Mr. Khursheed Alam – Managing Director & Chief Financial Officer**

Mr. Khursheed Alam is the Managing Director and Chief Financial Officer of our Company. For details, see “Brief Profile of our Director”, see “*Our Management*” chapter beginning on page 121 of this Draft Red Herring Prospectus.

2. Ms. Kiran Tilwani – Company Secretary & Compliance Officer

Ms. Kiran Tilwani aged 28 years is the Company Secretary and Compliance Officer of our company. She was appointed as Company Secretary and Compliance Officer of our company at the meeting of the Board of Directors with effect from December 15, 2022. She is an Associate Member of Institute of Company Secretaries of India having Membership No. A55498.

| | |
|--|--|
| Term of Office with expiration Date | Appointed as Company Secretary and Compliance Officer with effect from December 15, 2022. |
| Details of service contract | Not Applicable |
| Function and areas of experience | Responsible for complying with Laws, rules, provisions, regulations, acts applicable to the company. |

STATUS OF KEY MANAGERIAL PERSONNEL

All our Key Managerial Personnel are permanent employees of our Company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

None of the above-mentioned key managerial personnel are related to each other. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as members of our senior management.

RELATIONSHIP OF DIRECTORS / PROMOTERS WITH KEY MANAGERIAL PERSONNEL (KMPs)

None of the above-mentioned key managerial personnel are related to our Promoters or Directors. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Key Managerial Personnel were selected as members of our senior management.

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

As on date of this Draft Red Herring Prospectus, except as stated below, our Key Managerial Personnel do not hold any number of Equity Shares of our Company

| Sr. No. | Name of Key Managerial Personnel | No. of Equity Shares Held (Pre-Issue) | % of pre-Issue capital |
|----------------|---|--|-------------------------------|
| 1. | Mr. Khursheed Alam | 799,985 | 15.24 |
| 2. | Ms. Kiran Tilwani | NIL | NIL |
| | Total | 799,985 | 15.24 |

REMUNERATION / COMPENSATION TO OUR KMPs

Set forth below is the remuneration paid by our Company to our KMPs for the financial year ended March 31, 2022:

| (₹ in Lakh) | | | |
|--------------------|---------------------|--|--------------------------|
| Sr. No. | Name of KMPs | Designation | Remuneration paid |
| 1. | Mr. Khursheed Alam | Managing Director and Chief Financial Officer* | NIL |
| 2. | Ms. Kiran Tilwani | Company Secretary and Compliance Officer** | NIL |
| Total | | | NIL |

* Appointed as Managing Director and Chief Financial Officer of the Company w.e.f. November 10, 2022.

** Appointed as Company Secretary and Compliance Officer of the Company w.e.f. December 15, 2022.

The aforementioned KMP's are on the payrolls of our Company as permanent employees.

BONUS OR PROFIT-SHARING PLAN FOR OUR KEY MANAGERIAL PERSONNEL

As on the date of this Draft Red Herring Prospectus our Company does not have any performance linked bonus or profit-sharing plan with any of our Key Managerial Personnel.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation as on date of this Draft Red Herring Prospectus.

LOANS TO KEY MANAGERIAL PERSONNEL

Except as stated in the Draft Red Herring Prospectus, there is no loan outstanding against Key Managerial Personnel as on date of this Draft Red Herring Prospectus.

INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of our Company have interest in our Company to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and may also be interested to the extent of Equity Shares held by them in our Company, if any and dividends payable thereon, if any. Except as disclosed in this Draft Red Herring Prospectus, none of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration. Except as stated in the heading titled “Related Party Transactions” under the Section titled “*Financial Statements as Restated*” beginning on page 149 of this Draft Red Herring Prospectus and described herein above, our key managerial personnel do not have any other interest in the business of our Company.

CHANGES IN KEY MANAGERIAL PERSONNEL IN THE LAST THREE YEARS

Set forth below are the changes in our Key Managerial Personnel in the last 3 (three) years immediately preceding the date of this Draft Red Herring Prospectus:

| Sr. No. | Name | Date of Event | Reason |
|---------|--------------------|-------------------|--|
| 1. | Mr. Khursheed Alam | November 10, 2022 | Appointed as Managing Director and Chief Financial Officer |
| 2. | Ms. Kiran Tilwani | December 15, 2022 | Appointed as Company Secretary and Compliance Officer |

EMPLOYEES STOCK OPTION SCHEME

Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme as on the date of filing of this Draft Red Herring Prospectus.

PAYMENT OR BENEFIT TO OFFICERS OF OUR COMPANY

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

Except as stated in the chapter titled “*Financial Statements as Restated*” beginning on page 149 of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors, Our Key Managerial Personnel or our Promoters.

ARRANGEMENTS AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Key Managerial Personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For more information, please refer chapter titled “*Our History and Certain Other Corporate Matters*” beginning on page 121 of this Draft Red Herring Prospectus.



OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are **M/s Troupe Technologies Private limited, Mr. Khursheed Alam** and **Mr. Mehboob Alam**

As on the date of this Draft Red Herring Prospectus, Our Promoters holds an aggregate of 4,682,723 Equity Shares, representing **89.18%** of the Pre-Issue Issued, Subscribed and Paid-up Equity Share Capital of our Company. For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure – History of the Equity Share Capital held by our Promoters*", on page 59 of this Draft Red Herring Prospectus.

BRIEF PROFILE OF OUR INDIVIDUAL PROMOTERS

| | |
|---|--|
|  | <p>Mr. Khursheed Alam, is the Founder, Promoter and Managing Director of our Company. He is the Director of the Company since Incorporation of the Company. He was later reappointed as Managing Director with effect from November 10, 2022. He has more than 5 years of experience. He is a visionary entrepreneur and has played a pivotal role in setting up business of our Company. He primarily looks after the overall business operations of the Company. He is the driving force behind the working of the company and has been the mentor to all the employees. His vast industry knowledge and experience has helped company to grow many folds. As a leader, he always delivers value to the customers and endeavour in fulfilling / exceeding their expectations and is involved in day-to-day execution of projects.</p> <p>Qualification: Masters in Business Administration in Finance and Supply Chain Management</p> <p>Date of Birth: July 28, 1977</p> <p>Age: 45 years</p> <p>Residential Address: Flat No. 101, A wing, Rizwan Apartment, Sagar Tower Road, Jogeshwari West, Mumbai-400102, Maharashtra, India</p> <p>Nationality: Indian</p> <p>PAN: AGBPA6747R</p> <p>Directorship Held:</p> <ul style="list-style-type: none"> • Troupe Technologies Private Limited • WJT India Private Limited |
|  | <p>Mr. Mehboob Alam, is the Non-Executive Director of our Company. He was appointed as First Director upon Incorporation of the Company w.e.f. March 22, 2017. His designation was further changed from Executive Director to Non-Executive Director w.e.f. January 02, 2023. He has Masters of Arts. His role in the company includes overseeing whether company's programmes are being executed in right direction as per its aim and objectives, recommending business policies to the board governing the company, establishing long-term business plans for supporting the vision and values of the company. He is responsible for providing strategic advice and guidance to the members of the board, to keep them aware of developments within the industry and ensure that the appropriate policies are developed to meet the company's mission and objectives and to comply with all relevant statutory and other regulations.</p> |

| | |
|--|--|
| | Qualification: Masters of Arts in Political Science Date of Birth: April 01, 1979 Age: 43 Years Residential Address: 44 Inside Bara Gaon Gate, Jhansi-284002 Uttar Pradesh, India Nationality: Indian PAN: AJJPA1255H Directorship Held: NIL |
|--|--|

For the complete profile of Mr. Khursheed Alam & Mehboob Alam- educational qualifications, professional experience, position / posts held in the past, directorships held, special achievements and business and financial activities, see “Our Management” on page 121 of this Draft Red Herring Prospectus.

BRIEF PROFILE OF OUR CORPORATE PROMOTER

M/s Troupe Technologies Private Limited (TTPL)

CIN: U31100MH2017PTC301062

PAN: AAGCT4765Q

a) Brief History:

Our Company is incorporated as Troupe Technologies Private Limited on October 23, 2017 vide certificate of incorporation bearing CIN U31100MH2017PTC301062 as a Private Limited Company under the provisions of the Companies Act, 2013 issued by Registrar of Companies, Central Registration Centre.

As on date of this Draft Red Herring Prospectus, TTPL holds 18,49,033 equity shares, representing 35.21% of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company.

The registered office of TTPL is situated at 38, Level-1, Dewan Centre SV Road, Jogeshwari- West, Mumbai-400102, Maharashtra, India.

TTPL is currently in the Business of plastic injection moulding.

TTPL is promoted by Mr. Khursheed Alam

There has been no change in the business of TTPL since its incorporation.

b) Shareholding Pattern

As on the date of this Draft Red Herring Prospectus, the shareholding of TTPL is as follows:

| Sr. No. | Name of Shareholders | No. of Equity Shares | % of Shareholding |
|--------------|----------------------|----------------------|-------------------|
| 1 | Mr. Khursheed Alam | 18,00,000 | 90.00 |
| 2 | Ms. Shama Sultana | 2,00,000 | 10.00 |
| TOTAL | | 20,00,000 | 100.00 |

c) Board of Directors

As on the date of this Draft Red Herring Prospectus, the Board of Directors of TTPL is as follows:

| Name | DIN | Designation |
|--------------------|----------|-------------|
| Mr. Khursheed Alam | 07349338 | Director |
| Ms. Shama Sultana | 07948246 | Director |

d) Change in control of TTPL

There has been no change in the control of TTPL during the last 3 years preceding the date of this Prospectus

DECLARATION

We declare and confirm that the details of the Permanent Account Number, Aadhaar Card Number, Driving License Number, Passport Number and Bank Account Number of Individual Promoters our Company and Registration Numbers and the addresses of the Registrars of Companies where the companies are registered of our Corporate Promoters will be submitted to the Stock Exchange i.e., BSE Limited, where the Equity Shares are proposed to be listed at the time of filing this Draft Red Herring Prospectus.

UNDERTAKING / CONFIRMATIONS

None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:

- Prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or;
- Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.
- No material regulatory or disciplinary action is taken by any by a stock exchange or regulatory authority in the past one year in respect of our Promoters, Group Company and Company promoted by the promoter of our company.
- There are no defaults in respect of payment of interest and principal to the debenture / bond / fixed deposit holders, banks, FIs by our Company, our Promoters, Group Company and Company promoted by the promoter 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 170 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.

CHANGE IN CONTROL OF OUR COMPANY

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter ***“Our Management”*** beginning on page 121 of this Draft Red Herring Prospectus.

INTEREST OF OUR PROMOTERS

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company, and (ii) to the extent of their shareholding in our Company. For details on shareholding of our Promoters in our Company, see ***“Capital Structure”*** on page 59 of this Draft Red Herring Prospectus.

Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer the section titled ***“Related Party Transactions”*** in chapter ***“Financial Statements as Restated”*** on page 149 of this Draft Red Herring Prospectus.

Interest in promotion of our Company

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest in the property, land, construction of building, supply of machinery, etc.

Except as mentioned in the chapter titled ‘***Our Business***’ beginning on page 99 of this Draft Red Herring Prospectus, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of 2 (two) years before filing of this Draft Red Herring Prospectus or in any transaction by our Company for acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Interest in our Company arising out of being a member of a firm or company

Our Promoters are not interested as member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify them as a director, or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company.

Interest in our Company other than as Promoters

Except as mentioned in this chapter and chapters titled “***Our Business***”, “***History and Certain Corporate Matters***”, “***Our Management***” and “***Restated Financial Statements***” beginning on pages 99, 121, 121 and 149, respectively, our Promoters do not have any other interest in our Company

Payment or Benefit to the Promoters or Promoter Group in the last 2 (two) years

Except as stated above in chapters “***Financial Statements as Restated***” beginning on page 149 of this Draft Red Herring Prospectus, there has been no amount or benefit paid or given during the preceding 2 (two) years of filing of this Draft Red Herring Prospectus or intended to be paid or given to any Promoters or member of our Promoter Group and no consideration for payment of giving of the benefit.

COMMON PURSUITS OF OUR PROMOTERS

As on the date of this Draft Red Herring Prospectus, none of our Promoters have any common pursuits.

MATERIAL GUARANTEES GIVEN TO THIRD PARTIES

Except as stated in the “***Financial Statements as Restated***” beginning on page 149 of this Draft Red Herring Prospectus, our Promoters have not given material guarantees to the third party(ies) with respect to the specified securities of our Company.

EXPERIENCE OF PROMOTERS IN THE LINE OF BUSINESS

Our Promoters, Mr. Khursheed Alam and Mr. Mehboob Alam and have an experience of around 5 years each in the industry. The Company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY

For details of shareholding of members of our Promoter Group as on the date of this Draft Red Herring Prospectus, please see the chapter titled “***Capital Structure – Notes to Capital Structure***” beginning on page 59 of this Draft Red Herring Prospectus.

LITIGATION INVOLVING OUR PROMOTERS

For details relating to legal proceedings involving the Promoters, please refer “***Outstanding Litigation and Material Developments***” beginning on page 170 of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

Except as stated in “***Annexure – 35 “Related Party Transactions”***” beginning on page 142 of this Draft Red Herring Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE PRECEDING THREE YEARS

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Red Herring Prospectus.

| Sr. No. | Name of Promoter | Name of Entity | Reason for Disassociation | Date of Disassociation |
|---------|-------------------------------------|----------------|---------------------------|------------------------|
| 1 | Mr. Khursheed Alam | NIL | NIL | NIL |
| 2 | Mr. Mehboob Alam | NIL | NIL | NIL |
| 3 | Troupe Technologies Private Limited | NIL | NIL | NIL |

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 is as under:

A. Natural Persons who form part of our Promoter Group:

| Relation with Promoter | Mr. Khursheed Alam | Mr. Mehboob Alam |
|------------------------|--------------------|------------------------|
| Father | Waheed Nizami | Waheed Nizami |
| Mother | Late Anisa Bano | Late Anisa Bano |
| Spouse | Shama Sultana | Monthip |
| Brother(s) | Mehboob Alam | Khursheed Alam |
| Sister(s) | Shahnaaz Bano | Shahnaaz Bano |
| Son(s) | Sohail Khan | Rehan |
| Daughter(s) | N.A. | Jasmin |
| Spouse's Father | Abdul Hamid | Late Chockchai Khomrit |
| Spouse's Mother | Momna Khatoon | Late Wanpen Khomrit |
| Spouse's Brother(s) | Aslam Khan | N.A. |
| Spouse's Sister(s) | N.A. | N.A. |

B. In case promoter is a Body Corporate

| Sr. No. | Nature of Relationship | Name of the Promoter Entities / Company |
|---------|--|---|
| 1. | Subsidiary or holding company of Promoter Company | N.A. |
| 2. | Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate). | N.A. |

C. In case promoter is an Individual:

| Sr. No. | Nature of Relationship | Entity |
|---------|--|---|
| 1. | Any Body Corporate in which 20% or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relatives is a member. | NIL |
| 2. | Any Body corporate in which Body Corporate as provided above holds 20% or more of the equity share capital. | NIL |
| 3. | Any Hindu Undivided Family or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than 20%. | 1. Nizami Contractor 2. Sony Cable 3. Net Cab Digital World LLP |

D. All persons whose shareholding is aggregated under the heading "shareholding of the Promoter Group":

1. Mr. Shakir Khan

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to *Annexure- 35* of section titled “*Financial Statements as Restated*” beginning on page 149 of this Draft Red Herring Prospectus.

DIVIDEND POLICY

Under the Companies Act, 2013, an Indian Company pays dividends upon a recommendation by its Board of Directors and approval by majority of the Shareholders at the general meeting. Under the Companies Act, 2013, dividends may be paid out of profits of a company in the year in which the dividend is declared or out of the undistributed profits or reserves of the previous years or out of both.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year 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 a formal dividend policy for declaration of dividend in respect of Equity shares. Any dividends to be declared shall be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Our Company has not paid / declared any dividend in last three years from date of this Draft Red Herring Prospectus. 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.

SECTION IX: FINANCIAL INFORMATION**FINANCIAL STATEMENTS AS RESTATED**

| Sr. No. | Particulars | Page No. |
|----------------|-------------------------------|-----------------|
| 1 | Restated Financial Statements | F – 1 to F - 53 |

**Independent Auditor's Report for the Restated Financial Statements of
Comrade Appliances Limited (formerly known as Comrade Appliances Private Limited)**

To,
The Board of Directors
Comrade Appliances Limited
(Formerly known as Comrade Appliances Private Limited)
Office no. 39, Level 1,
Deewan Centre, S.V. Road,
Jogeshwari West.
Mumbai- 400102.

Dear Sirs,

1. We have examined the attached Restated Financial Information of **Comrade Appliances Limited** (formerly known as "Comrade Appliances Private Limited") (the "Company" or the "Issuer") comprising the Restated Statement of Assets and liabilities as on August 31, 2022, as on March 31, 2022, as on March 31, 2021 and as on March 31, 2020, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the period ended August 31, 2022 and year ended March 31, 2022, March 31, 2021 and March 31, 2020, the Summary Statement of Significant Accounting Policies and other explanatory information annexed to this report for the purpose of inclusion in the Draft Prospectus and/or Prospectus prepared by the Company (collectively the "Restated Summary Statements" or "Restated Financial Statements"). These Restated Summary Statements have been prepared by the Company and approved by the Board of Directors of the Company in connection with the Initial Public Offering (IPO) on SME platform of BSE Limited (BSE SME).
2. These Restated Summary Statements have been prepared in accordance with the requirements of:
 - (i) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules 2014;
 - (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations") and related amendments / clarifications from time to time issued by the Securities and Exchange Board of India ("SEBI"); and
 - (iii) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
3. The Restated Summary Statements of the Company have been extracted by the management from the Audited Financial Statements of the Company for the period ended 31st August 2022, year ended 31st March 2022, 31st March, 2021 and 31st March 2020, which has been approved by the Board of Directors.
4. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Document to be filed with Securities and Exchange Board of India, relevant stock exchanges and Registrar of Companies, Mumbai, in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV (A)(B 1 a) 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 is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

5. In accordance with the requirements of Part I of Chapter III of Act including rules made therein, ICDR Regulations, Guidance Note and Engagement Letter, we report that:
- (i) The “**Statement of Assets and Liabilities as Restated**” as set out in **Annexure 1** to this report, of the Company as at 31st August 2022, 31st March 2022, 31st March, 2021 and 31st March, 2020 are prepared by the Company and approved by the Board of Directors. These Statement of Assets and Liabilities, 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 4** to this Report.
 - (ii) The “**Statement of Profit and Loss as Restated**” as set out in **Annexure 2** to this report, of the Company for the period ended 31st August 2022, year ended on 31st March 2022, 31st March, 2021 and 31st March, 2020 are prepared by the Company and approved by the Board of Directors. These Statement of Profit and Loss, 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 4** to this Report.
 - (iii) The “**Statement of Cash Flow as Restated**” as set out in **Annexure 3** to this report, of the Company for the period ended 31st August 2022, year ended on 31st March 2022, 31st March, 2021 and 31st March, 2020 are 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 4** to this Report.
6. Based on the above, we are of the opinion that the Restated Financial Statements have been made after incorporating:
- a) 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) 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) There are no extra-ordinary items that need to be disclosed separately in the accounts and qualifications requiring adjustments except as disclosed in the notes to accounts.
 - d) These 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 4** to this report.
7. Audit for the period ended 31st August 2022 is conducted by us i.e. N B T and Co. Chartered Accountants, financial year ended on 31st March 2022, 31st March, 2021 and 31st March, 2020 was conducted by the Statutory Auditor i.e. Imran A. Kazi, IAK & Associates Chartered Accountants. Accordingly reliance has been placed on the financial information examined by him for the said years. The examination report included for these years is based solely on the report submitted by him and no audit has been carried out by us. Further financial statements for the year ended on 31st March 2022, have been re-audited by us as per the relevant guidelines.
8. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company for the financial period ended 31st August 2022, year ended on 31st March 2022, 31st March, 2021 and 31st March, 2020 proposed to be included in the Draft Prospectus/Prospectus (“**Offer Document**”).

Annexure of Restated Financial Statements of the Company:-

1. Significant Accounting Policies and Notes to Accounts as restated in Annexure 4;
 2. Statement of Changes in Equity as Restated as appearing in Annexure 5 to this report;
 3. Reconciliation of Restated Profit as appearing in Annexure 6 to this report, Reconciliation between Audited Total Equity and Restated Total Equity and Reconciliation of Items of Restated Statement of Assets and Liabilities;
 4. Details of Share Capital as Restated as appearing in Annexure 7 to this report;
 5. Details of Reserves & Surplus as Restated as appearing in Annexure 8 to this report;
 6. Details of Share Application Money Pending Allotment as Restated as appearing in Annexure 9 to this report;
 7. Details of Long Term Borrowings as Restated as appearing in Annexure 10 to this report;
 8. Details of Short Term Borrowings as Restated as appearing in Annexure 11 to this report;
 9. Details of Terms & Conditions for Long term and Short term borrowings in Annexure 10.1&11.1 to this report;
 10. Details of Deferred Tax (Assets) / Liabilities as Restated as appearing in Annexure 12 to this report;
 11. Details of Long Term Provision as Restated as appearing in Annexure 13 to this report;
 12. Details of Trade Payables as Restated as appearing in Annexure 14 to this report;
 13. Details of Other Current Liabilities as Restated as appearing in Annexure 15 to this report;
 14. Details of Short Term Provision as Restated as appearing in Annexure 16 to this report;
 15. Details of Fixed Assets as Restated as appearing in Annexure 17 to this report;
 16. Details of Long Term Loans and Advances as Restated as appearing in Annexure 18 to this report;
 17. Details of Other Non-Current Assets as Restated as appearing in Annexure 19 to this report;
 18. Details of Inventories as Restated as appearing in Annexure 20 to this report;
 19. Details of Trade Receivables as Restated enclosed as Annexure 21 to this report;
 20. Details of Cash and Cash Equivalents as Restated enclosed as Annexure 22 to this report;
 21. Details of Short Term Loans & Advances as Restated as appearing in Annexure 23 to this report;
 22. Details of Other Current Assets as Restated as appearing in Annexure 24 to this report;
 23. Details of Income from Operations as Restated as appearing in Annexure 25 to this report;
 24. Details of Other Income as Restated as appearing in Annexure 26 to this report;
 25. Details of Cost of Material Consumed as Restated as appearing in Annexure 27 to this report;
 26. Details of Purchases of Stock in Trade as Restated as appearing in Annexure 28 to this report;
 27. Details of Changes In Inventories of Stock-In-Trade as Restated as appearing in Annexure 29 to this report;
 28. Details of Employee Benefit Expenses as Restated as appearing in Annexure 30 to this report;
 29. Details of Finance Cost as Restated as appearing in Annexure 31 to this report;
 30. Details of Depreciation as Restated as appearing in Annexure 32 to this report;
 31. Details of Other expenses as Restated as appearing in Annexure 33 to this report;
 32. Details of Payment to Auditors as Restated as appearing in Annexure 33.1 to this report;
 33. Details of Summary of Accounting Ratios as Restated as appearing in Annexure 34 to this report;
 34. Details of Related Parties Transactions as Restated as appearing in Annexure 35 to this report;
 35. Statement of Tax Shelters as Restated as appearing in Annexure 36 to this report.
 36. Capitalization Statement as Restated as at 31st August 2022 as appearing in Annexure 37 to this report;
 37. Details of Contingent Liabilities & Commitments as appearing in Annexure 38 to this report;
 38. Details of Segment Report as appearing in Annexure 39 to this report;
 39. Details of Capital Management as appearing in Annexure 40 to this report;
 40. Detail of Events after Reporting Data as appearing in Annexure 41 to this report;
 41. Statement of Unhedged Foreign Currency Exposure as appearing in Annexure 42 to this report;
 42. Details of Transactions in Foreign Currency as appearing in Annexure 43 to this report;
 43. Note on COVID-19 as appearing in Annexure 44 to this report;
 44. Details of Employee Benefits as appearing in Annexure 45 to this report;
 45. Details on Financial Risk Management as appearing in Annexure 46 to this report;
 46. Statement of Ratio Analysis as Restated as appearing in Annexure 47 to this report;
 47. Other relevant disclosures as appearing in Annexure 48 to this report.
9. We 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.
 10. 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.

11. The Restated Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited financial statements mentioned in paragraph 7 above.
12. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by any other Firm of Chartered Accountants including the Statutory Auditor's of the Company nor should this report be construed as a new opinion on any of the financial statements referred to therein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. In our opinion, the above financial information contained in Annexure 1 to 41 of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure 4 are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note.
15. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Prospectus and/or Prospectus to be filed with Securities and Exchange Board of India, BSE and relevant Registrar of Companies in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For N B T & Co
Chartered Accountants
FRN No.: 140489W

Sd/-
Ashutosh Biyani
Partner
Membership No.: 165017
Place: Mumbai
Date: 17/02/2023
UDIN: 23165017BGXETQ6787



COMRADE APPLIANCES LIMITED
(formerly known as Comrade Appliances Private Limited)
(CIN - U74999MH2017PLC292817)
RESTATED STATEMENT OF ASSETS AND LIABILITIES

ANNEXURE 1

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | Annexure Nos. | As at 31-Aug-22 | As at | | |
|---|---------------|-----------------|-----------------|-----------------|-----------------|
| | | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| A) EQUITY AND LIABILITIES | | | | | |
| 1. Shareholders' Funds | | | | | |
| (a) Share Capital | 7 | 517.27 | 517.27 | 332.37 | 332.37 |
| (b) Reserves & Surplus | 8 | 85.61 | (14.84) | (90.60) | (38.97) |
| | | 602.88 | 502.43 | 241.77 | 293.40 |
| 2. Share Application Money Pending Allotment | 9 | - | - | 221.88 | - |
| | | - | - | 221.88 | - |
| 3. Non Current Liabilities | | | | | |
| (a) Long Term Borrowings | 10 | 307.13 | 394.16 | 640.04 | 213.86 |
| (b) Deferred Tax Liability (Net) | 12 | 1.93 | 1.42 | 1.13 | 0.48 |
| (c) Long Term Provisions | 13 | 9.23 | 8.69 | 4.10 | 2.05 |
| | | 318.29 | 404.26 | 645.27 | 216.39 |
| 4. Current Liabilities | | | | | |
| (a) Short Term Borrowings | 11 | 773.61 | 719.63 | 772.34 | 187.07 |
| (b) Trade Payables | 14 | | | | |
| (A) outstanding dues of micro enterprises and small enterprises; and | | - | - | - | - |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises. | | 419.67 | 638.26 | 867.07 | 613.98 |
| (c) Other Current Liabilities | 15 | 89.98 | 155.92 | 300.50 | 339.93 |
| (d) Short Term Provisions | 16 | 67.78 | 106.84 | 91.81 | 28.21 |
| | | 1,351.04 | 1,620.65 | 2,031.72 | 1,169.19 |
| Total | | 2,272.21 | 2,527.34 | 3,140.65 | 1,678.98 |
| B) ASSETS | | | | | |
| 1. Non Current Assets | | | | | |
| (a) Property, Plant and Equipment and Intangible assets | 17 | | | | |
| i) Property, Plant and Equipment | | | | | |
| (i) Gross Block | | 680.64 | 672.86 | 638.54 | 361.33 |
| (ii) Depreciation | | 275.57 | 241.68 | 143.21 | 91.53 |
| (iii) Net Block | | 405.07 | 431.18 | 495.33 | 269.80 |
| ii) Intangible Assets | | 2.25 | 3.06 | - | - |
| | | 407.32 | 434.24 | 495.33 | 269.80 |
| (b) Long Term Loans and Advances | 18 | 5.00 | 5.00 | 5.00 | 5.00 |
| (c) Other Non Current Assets | 19 | 75.57 | 75.57 | 75.46 | 6.21 |
| | | 80.57 | 80.57 | 80.46 | 11.21 |
| 2. Current Assets | | | | | |
| (a) Inventories | 20 | 1,226.29 | 1,245.17 | 1,417.21 | 671.94 |
| (b) Trade Receivables | 21 | 441.53 | 676.70 | 884.79 | 521.61 |
| (c) Cash and Bank Balances | 22 | 35.56 | 25.32 | 36.69 | 6.11 |
| (d) Short Term Loans & Advances | 23 | 1.60 | 1.50 | 3.67 | 0.13 |
| (e) Other Current Assets | 24 | 79.35 | 63.84 | 222.50 | 198.18 |
| | | 1,784.32 | 2,012.53 | 2,564.86 | 1,397.97 |
| Total | | 2,272.21 | 2,527.34 | 3,140.65 | 1,678.98 |

The above statement should be read with Basis of Preparation, Significant Accounting Policies and Notes to Restated Financial Information appearing in Annexure 4 and Adjustments to Audited Financial Statements appearing in Annexure 6.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

For N B T and Co
Chartered Accountants
F.R.N. 140489W

For Comrade Appliances Limited

Sd/-
Ashutosh Biyani
Partner
M. No. 165017

Sd/-
Khursheed Alam
Director & CFO
DIN:07349338

Sd/-
Mehboob Alam
Director
DIN:07620289

Date : 17/02/2023
Place: Mumbai

Sd/-
Kiran Tilwani
Company Secretary
PAN: AVKPT4379E

COMRADE APPLIANCES LIMITED
(formerly known as Comrade Appliances Private Limited)
(CIN - U74999MH2017PLC292817)
RESTATED STATEMENT OF PROFIT & LOSS

ANNEXURE 2

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | Annexure Nos. | For the period ended 31-Aug-22 | For the year ended | | |
|---|---------------|-----------------------------------|--------------------|-----------------|-----------------|
| | | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| 1 Revenue From Operations | 25 | 1,555.36 | 2,964.89 | 2,600.49 | 2,162.29 |
| 2 Other Income | 26 | 3.79 | 8.39 | 3.36 | - |
| 3 Total Income (1+2) | | 1,559.15 | 2,973.28 | 2,603.85 | 2,162.29 |
| 4 Expenditure | | | | | |
| (a) Cost of Material Consumed | 27 | 934.39 | 2,039.31 | 2,271.65 | 1,825.67 |
| (b) Purchase of Stock-in-trade | 28 | 54.98 | 31.73 | 25.72 | 65.22 |
| (c) Changes in Inventories | 29 | 132.88 | 78.12 | (165.02) | (123.28) |
| (d) Employee Benefit Expenses | 30 | 86.49 | 206.24 | 125.10 | 107.04 |
| (e) Finance Cost | 31 | 55.05 | 148.16 | 113.08 | 36.37 |
| (f) Depreciation | 32 | 34.70 | 99.51 | 52.97 | 41.78 |
| (g) Other Expenses | 33 | 126.18 | 315.89 | 151.88 | 158.65 |
| 5 Total Expenditure 4(a) to 4(g) | | 1,424.68 | 2,918.96 | 2,575.37 | 2,111.45 |
| Profit/(Loss) Before Exceptional and Extra Ordinary Item | | 134.47 | 54.32 | 28.48 | 50.84 |
| Exceptional Items | | - | - | - | - |
| 6 Profit/(Loss) Before Tax (3-5) | | 134.47 | 54.32 | 28.48 | 50.84 |
| 7 Tax Expense: | | | | | |
| (a) Tax Expense for Current Year | | 33.51 | 15.26 | 7.62 | 6.73 |
| (b) Deferred Tax | | 0.51 | 0.29 | 0.65 | 2.32 |
| Net Current Tax Expenses | | 34.02 | 15.55 | 8.27 | 9.04 |
| 8 Profit/(Loss) for the Year (6-7) | | 100.45 | 38.77 | 20.21 | 41.80 |
| 9 Restated Earning Per Share | | | | | |
| Basic | Rs. | 1.94 | 0.99 | 0.61 | 1.37 |
| Diluted | Rs. | 1.94 | 0.99 | 0.61 | 1.37 |

The above statement should be read with Basis of Preparation, Significant Accounting Policies and Notes to Restated Financial Information appearing in Annexure 4 and Adjustments to Audited Financial Statements appearing in Annexure 6.
This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

For N B T and Co
Chartered Accountants
F.R.N. 140489W

For Comrade Appliances Limited

Sd/-
Ashutosh Biyani
Partner
M. No. 165017

Sd/-
Khursheed Alam
Director & CFO
DIN:07349338

Sd/-
Mehboob Alam
Director
DIN:07620289

Date : 17/02/2023
Place: Mumbai

Sd/-
Kiran Tilwani
Company Secretary
PAN: AVKPT4379E

COMRADE APPLIANCES LIMITED
(formerly known as Comrade Appliances Private Limited)
(CIN - U74999MH2017PLC292817)

RESTATED STATEMENT OF CASH FLOWS

ANNEXURE 3

(Amount in Lakhs, Unless Otherwise Stated)

| PARTICULARS | For the period ended 31-Aug-22 | For the year ended | | |
|---|--------------------------------------|--------------------|-----------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| A) Cash Flow From Operating Activities : | | | | |
| Net Profit before tax | 134.47 | 54.32 | 28.48 | 50.84 |
| Adjustment for : | | | | |
| Depreciation | 34.70 | 99.51 | 52.97 | 41.78 |
| Interest Paid | 40.02 | 139.70 | 99.12 | 31.56 |
| Interest Income | (2.08) | (1.85) | - | - |
| Mat credit transferred to accumulated profit | - | 36.98 | (0.91) | - |
| Profit on sale of Fixed Assets | - | - | (2.36) | - |
| Provision for gratuity | 0.70 | 4.60 | 2.06 | 2.06 |
| Operating profit before working capital changes | 207.81 | 333.27 | 179.35 | 126.23 |
| Changes in Working Capital | | | | |
| (Increase)/Decrease in Inventories | 18.88 | 172.04 | (745.27) | (485.09) |
| (Increase)/Decrease in Trade Receivables | 235.17 | 208.09 | (363.18) | (304.57) |
| (Increase)/Decrease in Short Term Loans & Advances | (0.10) | 2.17 | (3.54) | 1.42 |
| (Increase)/Decrease in Long Term Loans & Advances | - | - | - | (5.00) |
| (Increase)/Decrease in Other Current Assets | (15.50) | 158.66 | (24.33) | (108.88) |
| (Increase)/Decrease in Other Non Current Assets | - | (0.11) | (69.25) | (0.20) |
| Increase/(Decrease) in Trade Payables | (218.59) | (228.82) | 253.10 | 434.22 |
| Increase/(Decrease) in Other Current Liabilities | (65.95) | (144.58) | (39.43) | 285.33 |
| Increase/(Decrease) in Short Term Provisions | (72.72) | 15.01 | 63.59 | 21.55 |
| Increase/(Decrease) in Short Term Borrowings | 53.98 | (52.70) | 585.26 | 187.07 |
| Cash generated from operations | 142.99 | 463.03 | (163.69) | 152.09 |
| Less:- Income Taxes paid | - | 15.26 | 7.62 | 6.73 |
| Cash Flow Before Extraordinary Item | 142.99 | 447.77 | (171.31) | 145.36 |
| Extraordinary Items | - | - | - | - |
| Net cash flow from operating activities | 142.99 | 447.77 | (171.31) | 145.36 |
| B) Cash Flow From Investing Activities : | | | | |
| Purchase of Fixed Assets | (7.78) | (38.42) | (283.49) | (115.94) |
| Sale of Fixed Assets | - | - | 4.99 | - |
| Profit on sale of Fixed Assets | - | - | 2.36 | - |
| Loss on Aquisition | - | - | (70.92) | - |
| Dividend Income | - | - | - | - |
| Investment sold during the year | - | - | - | - |
| Interest Income | 2.08 | 1.85 | - | - |
| Net cash flow from investing activities | (5.70) | (36.57) | (347.06) | (115.94) |
| C) Cash Flow From Financing Activities : | | | | |
| Issue of Equity Shares | - | 184.90 | - | 68.81 |
| Increase/(Decrease) in Share Application money | - | (221.88) | 221.88 | (40.06) |
| Increase/(Decrease) in Long Term Borrowings | (87.03) | (245.88) | 426.18 | (21.29) |
| Interest Paid | (40.02) | (139.70) | (99.12) | (31.56) |
| Net cash flow from financing activities | (127.05) | (422.57) | 548.95 | (24.09) |
| | | | | |
| | | | | |
| Net Increase/(Decrease) In Cash & Cash Equivalents | 10.24 | (11.37) | 30.57 | 5.32 |
| | | | | |
| Cash equivalents at the beginning of the year | 25.32 | 36.69 | 6.11 | 0.79 |
| | | | | |
| Cash equivalents at the end of the year | 35.56 | 25.32 | 36.69 | 6.11 |

| Notes :- | | | | |
|---|--------------------------------------|--|-----------|-----------|
| PARTICULARS | As at 31-Aug-22 | As at | | |
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| 1 Component of Cash and Cash equivalents | | | | |
| Cash on hand | 0.56 | 0.32 | 0.64 | 0.12 |
| Balance With banks | - | - | 0.71 | 6.00 |
| Fixed Deposit | 35.00 | 25.00 | 35.34 | - |
| | 35.56 | 25.32 | 36.69 | 6.11 |
| 2. Reconciliation of the movements of liabilities to cash flows arising from financing activities | | | | |
| PARTICULARS | For the period ended 31-Aug-22 | For the year ended | | |
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Opening balance | | | | |
| Working Capital Facility | 548.32 | 594.02 | 147.23 | 123.57 |
| Loan from Related Parties | 42.00 | 44.50 | 81.50 | 43.00 |
| Loan from Others | - | 102.95 | 5.00 | - |
| Term Loan | 523.47 | 670.90 | 167.20 | 67.82 |
| Total | 1,113.79 | 1,412.38 | 400.93 | 234.39 |
| Movement | | | | |
| Cash flows ; | | | | |
| Working Capital Facility | 60.99 | (45.70) | 446.79 | 23.66 |
| Loan from Related Parties | (24.00) | (2.50) | (37.00) | 38.50 |
| Loan from Others | - | (102.95) | 97.95 | 5.00 |
| Term Loan | (70.04) | (147.44) | 503.70 | 99.38 |
| Interest expenses | 40.02 | 139.70 | 99.12 | 31.56 |
| Closing Balance | | | | |
| Working Capital Facility | 609.32 | 548.32 | 594.02 | 147.23 |
| Loan from Related Parties | 18.00 | 42.00 | 44.50 | 81.50 |
| Loan from Others | - | - | 102.95 | 5.00 |
| Term Loan | 453 | 523 | 671 | 167 |
| Total | 1,080.74 | 1,113.79 | 1,412.38 | 400.93 |
| <p>The Restated Statement of Cash Flows has been prepared under the indirect method as set out in AS 3, Statement of Cash Flows. The above statement should be read with Basis of Preparation, Significant Accounting Policies and Notes to Restated Financial Information appearing in Annexure 4 and Adjustments to Audited Financial Statements appearing in Annexure 6.</p> <p>This is the Restated Statement of cash flows referred to in our report of even date.</p> | | | | |
| For N B T and Co Chartered Accountants F.R.N. 140489W | | For Comrade Appliances Limited | | |
| Sd/- Ashutosh Biyani Partner M. No. 165017 | | Sd/- Khursheed Alam Director & CFO DIN:07349338 | | |
| Date : 17/02/2023 Place: Mumbai | | Sd/- Kiran Tilwani Company Secretary PAN: AVKPT4379E | | |
| | | Sd/- Mehboob Alam Director DIN:07620289 | | |

ANNEXURE-4

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS

A. BACKGROUND

Comrade Appliances Limited (formerly known as Comrade Appliances Private Limited) is a limited company domiciled in India and incorporated under the provisions of the Companies Act 2013, having Company Incorporation No. (CIN) U74999MH2017PLC292817. The Company is primarily engaged in Manufacture of Electrical Machinery and apparatus.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Statement of Assets and Liabilities of the Company as on August 31, 2022, March 31, 2022, March 31, 2021 and March 31, 2020, and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the period ended on August 31, 2022 and for the year ended on March 31, 2022, March 31, 2021 and March 31, 2020 and the annexure thereto (collectively, the “**Restated Financial Statements**” or “**Restated Summary Statements**”) have been extracted by the management from the Audited Financial Statements of the Company for the period ended on August 31, 2022 and for the year ended on March 31, 2022, March 31, 2021 and March 31, 2020.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2014 as per section 133 of the Companies Act, 2013.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (‘GAAP’) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as of the date of the financial statements which in management’s opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. PROPERTY, PLANT & EQUIPMENT

Property, Plant & Equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

4. DEPRECIATION

Depreciation is provided on a written down value basis over the useful lives of assets, which is as stated in Schedule II of the Companies Act 2013 or based on technical estimation made by the Company.

Depreciation and amortization methods, useful lives and residual values are reviewed at each reporting date.

5. BORROWING COSTS

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are charged to statement of profit and loss as and when incurred.

6. IMPAIRMENT OF ASSETS

In accordance with AS 28 on 'Impairment of assets' as prescribed in the Companies (Accounting Standards) Rules, 2006, the Company assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognized whenever the carrying amount of an asset or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognized in the statement of profit and loss or against revaluation surplus, where applicable. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

7. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

8. INVENTORIES

Raw materials, stores and spares and trading goods are valued at lower of cost and net realizable value.

Work-in-Progress and finished goods are valued at the lower of cost and net realizable value. Cost includes direct materials and labour and a part of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost comprises of cost of Purchase & other costs incurred in bringing them to their respective present location and condition and is determined on First-in-First-Out (FIFO) basis.

9. CURRENT/NON CURRENT CLASSIFICATIONS

The Schedule III to the Act requires assets and liabilities to be classified as either Current or Non-current. An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the balance sheet date; or
- d) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the balance sheet date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

10. REVENUE RECOGNITION

- i) Revenue from sale of goods is recognizing when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from sale of goods is net of sales tax, trade discounts, rebates etc.
- ii) Service income is recognized as and when services are rendered in accordance with the terms of the specific contracts, net of all contractual deductions. Revenue is recognized net of all taxes and levies.
- iii) Interest income is recognized on a time proportion basis.
- iv) Export of goods is eligible for incentives from Government as per Import-Export policies declared by the Government from time to time. Company's export products are eligible for duty drawback. Rates for duty drawback vary according to products and destinations. The Company recognizes duty drawback amount on accrual basis for this Financial year, However, in respect of preceding years benefits are recognized on receipt basis.

11. FOREIGN CURRENCY TRANSACTIONS

Initial recognition

Foreign currency transactions are recorded in the reporting currency which is Indian Rupee, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

12. EMPLOYEE BENEFITS

Short Term Employee Benefits

The short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

The company has no policy of encashment and accumulation of leave. Therefore, no provision of leave Encashment is made.

Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.

Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The company has recognized the gratuity payable to the employees as defined benefit plans. The liability in respect of these benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

13. SEGMENT ACCOUNTING

(i) Business Segment

The Company operates in one Business Segment only and hence no separate information for business segment wise disclosure is required.

(ii) Geographical Segment

The Company operates in one Geographical Segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

14. ACCOUNTING FOR TAXES ON INCOME

Current Tax

Current tax is determined as the amount of tax payable under the provisions of Income Tax Act, 1961, in respect of taxable income for the year.

Deferred Tax

Deferred income taxes reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

15. CONTINGENT LIABILITIES AND PROVISIONS

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

16. EARNINGS PER SHARE:

Basic earnings per share are computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

17. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

18. COVID -19 IMPACT ASSESSMENT

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of various interruption, supply chain disruption, unavailability of personnel. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 31st May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

In assessing the recoverability of Company's assets such as Trade receivable, Inventories, Loans, Advances and Other Current Assets the Company has considered internal and external information upto the date of approval of these financial results. The company has performed sensitivity analysis, on the assumptions used basis, the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets.

C. NOTES TO THE RESTATED FINANCIAL STATEMENTS

1. NON-ADJUSTMENT ITEMS:

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

2. MATERIAL REGROUPING

Appropriate regrouping has been made in the restated summary statements of Assets and Liabilities Profits 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 requirements of the SEBI Regulations.

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee in lakhs. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.

3. MATERIAL ADJUSTMENTS IN RESTATED PROFIT & LOSS ACCOUNT

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|-----------|-----------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Net Profit Before Tax as per audited accounts but before adjustments for restated accounts: | 134.47 | 31.69 | 26.88 | 50.96 |
| Restatement adjustments: | | | | |
| (Short)/Excess provision of depreciation on PPE (Note-1) | | 25.88 | 1.44 | 1.94 |
| (Short)/Excess provision of gratuity (Note-2) | | (4.60) | (2.06) | (2.06) |
| Short/(Excess) profit recognised on sale of PPE (Note-3) | | - | 2.56 | - |
| Short/(Excess) recognition of accrued interest on fixed deposits (Note-4) | | 1.36 | - | - |
| Revenue expenditure recorded as capital expenditure (Note-5) | | - | (0.35) | - |
| Adjusted Profit before Tax | 134.47 | 54.32 | 28.47 | 50.84 |
| Net Profit before Tax as per Restated Accounts: | 134.47 | 54.32 | 28.48 | 50.84 |

Notes:

1. Excess provision of depreciation has been reversed from the respective years due to proper classification of assets and rates as per Companies Act, 2013
2. Provision of Gratuity has been made in consideration with actuarial report.
3. Recognition of profit on sale of PPE has been made as per Companies act, 2013.
4. Recognition of accrued interest has been made in the respective year.
5. Revenue expenditure wrongly capitalised, now reclassified.

4. MATERIAL ADJUSTMENTS IN RESTATED TOTAL EQUITY

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|--|--------------------|-----------|-----------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Total Equity (As per Audited Financial Statements) | 602.88 | 636.04 | 619.62 | 379.39 |
| Restatement adjustments: | | | | |
| (Short)/Excess provision of depreciation on PPE (Note-1) | | 18.51 | (7.37) | (8.82) |
| (Short)/Excess provision of gratuity (Note-2) | | (8.72) | (4.11) | (2.06) |
| Short/(Excess) profit recognised on sale of PPE (Note-3) | | 2.56 | 2.56 | - |
| Short/(Excess) recognition of accrued interest on fixed deposits (Note-4) | | 1.36 | - | - |
| Revenue expenditure recorded as capital expenditure (Note-5) | | (145.91) | (145.91) | (74.64) |
| (Short)/Excess provision of deferred tax (Note-6) | | (1.41) | (1.13) | (0.48) |
| Reclassification of Share Application Money pending allotment as per Revised Schedule III (Note-7) | | | (221.88) | |
| Adjusted Total Equity | 602.88 | 502.43 | 241.77 | 293.40 |
| Total equity as per Restated Statement of Assets and Liabilities | 602.88 | 502.43 | 241.77 | 293.40 |

Notes:

1. Excess provision of depreciation has been reversed from the respective years due to proper classification of assets and rates as per Companies Act, 2013
2. Provision of Gratuity has been made in consideration as per actuarial report.
3. Recognition of profit on sale of PPE has been made as per Companies act, 2013.
4. Proper recognition of accrued interest has been made in the respective years.
5. Revenue expenditure wrongly capitalised, now restated.
6. Deferred Tax provision as been made in pursuance of AS-22

5. MATERIAL ADJUSTMENTS IN RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|-----------|-----------|-----------|
| | | 3/31/2022 | 3/31/2021 | 3/31/2020 |
| Property, Plant & Equipment (As per Audited Financial Statements) | 407.32 | 559.08 | 646.05 | 353.25 |
| Restatement adjustments: | | | | |
| (Short)/Excess provision of depreciation on PPE (Note-1) | | 18.51 | (7.37) | (8.82) |
| Revenue expenditure recorded as capital expenditure (Note-2) | | (145.91) | (145.91) | (74.64) |
| Short/(Excess) profit recognised on sale of PPE (Note-3) | | 2.56 | 2.56 | - |
| Adjusted Property, Plant & Equipment | 407.32 | 434.24 | 495.33 | 269.80 |

| | | | | |
|---|--------|--------|--------|--------|
| Property, Plant & Equipment (As per Restated Statement of Assets and Liabilities) | 407.32 | 434.24 | 495.33 | 269.80 |
|---|--------|--------|--------|--------|

Notes:

1. Excess provision of depreciation has been reversed from the respective years due to proper classification of assets as per Companies Act, 2013 and rates given thereunder.
2. Revenue expenditure wrongly capitalised, now restated.
3. Correct recognition of profit on sale of PPE has been made.

6. PAYABLE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

The company has not received the required information from any of the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as the year end together with interest paid/payable as required under the Act have not been made.

For N B T & Co.
Chartered Accountants
F.R.N. 140489W

For Comrade Appliances Limited

Ashutosh Biyani
Partner
M. No. 165017

Khursheed Alam
Director & CFO
DIN:

Mehboob Alam
Director
DIN:

Date: 17/02/2023
Place: Mumbai

Kiran Tilwani
Company Secretary
PAN: AVKPT4379E

COMRADE APPLIANCES LIMITED
(formerly known as Comrade Appliances Private Limited)
(CIN - U74999MH2017PLC292817)
RESTATED STATEMENT OF CHANGES IN EQUITY

ANNEXURE 5

(Amount in Lakhs, Unless Otherwise Stated)

(A) Equity share capital

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|---------------|---------------|---------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Balance at the beginning of the period | 517.27 | 332.37 | 332.37 | 332.37 |
| Changes in Equity Share capital during the period | | 184.90 | | |
| Balance at the end of the period | 517.27 | 517.27 | 332.37 | 332.37 |

(B) Other equity

| Particulars | Reserve and surplus | | Total |
|-------------------------------------|---------------------|-------------------|---------|
| | Securities Premium | Retained earnings | |
| As at 31 March 2019 | - | 2.79 | 2.79 |
| Changes during the year | | | |
| Profit for the year | | 41.80 | 41.80 |
| Total Income for the year | - | 41.80 | 41.80 |
| Cash dividends | | - | - |
| Dividend distribution tax | | - | - |
| Adjustment for writing off expenses | | (74.64) | (74.64) |
| Prior Period Depreciation write off | | (10.75) | (10.75) |
| Adjustment for Deferred Tax | | 1.83 | 1.83 |
| As at 31 March 2020 | - | (38.97) | (38.97) |
| As at 31 March 2020 | - | (38.97) | (38.97) |
| Changes during the year | | | |
| Profit for the year | | 20.21 | 20.21 |
| Total Income for the year | - | 20.21 | 20.21 |
| Cash dividends | | - | - |
| Dividend distribution tax | | - | - |
| Adjustment for writing off expenses | | (70.92) | (70.92) |
| Capitalisation of Reserves | | - | - |
| MAT Credit | | (0.91) | (0.91) |
| As at 31 March 2021 | - | (90.60) | (90.60) |
| As at 31 March 2021 | - | (90.60) | (90.60) |
| Changes during the year | 36.98 | | 36.98 |
| Profit for the year | | 38.77 | 38.77 |
| Total Income for the year | 36.98 | 38.77 | 75.75 |
| Cash dividends | | - | - |
| Dividend distribution tax | | - | - |
| Capitalisation of Reserves | | - | - |
| As at 31 March 2022 | 36.98 | (51.83) | (14.84) |
| As at 31 March 2022 | 36.98 | (51.83) | (14.84) |
| Changes during the year | | | |
| Profit for the year | | 100.45 | 100.45 |
| Total Income for the year | - | 100.45 | 100.45 |
| Cash dividends | | - | - |
| Dividend distribution tax | | - | - |
| Capitalisation of Reserves | | - | - |
| As at 31 August 2022 | 36.98 | 48.63 | 85.61 |

The above statement should be read with Basis of Preparation, Significant Accounting Policies and Notes to Restated Financial Information appearing in Annexure 4 and Adjustments to Audited Financial Statements appearing in Annexure 6.

This is the Restated Statement of Assets and Liabilities referred to in our report of even date.

For N B T and Co
Chartered Accountants
F.R.N. 140489W

For Comrade Appliances Limited

Sd/-
Ashutosh Biyani
Partner
M. No. 165017

Sd/-
Khursheed Alam
Director & CFO
DIN:07349338

Sd/-
Mehboob Alam
Director
DIN:07620289

Date : 17/02/2023
Place: Mumbai

Sd/-
Kiran Tilwani
Company Secretary
PAN: AVKPT4379E

ANNEXURE 6**(a) Impact of restatement adjustments**

Below mentioned is the summary of results of restatement adjustments made to the audited financial statements of the respective period/years and its impact on profits.

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at | As at | | |
|---|-----------|-----------|-----------|-----------|
| | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Net Profit Before Tax as per audited accounts but before adjustments for restated accounts: | 134.47 | 31.69 | 26.88 | 50.96 |
| Restatement adjustments: | | | | |
| (Short)/Excess provision of depreciation on PPE (Note-1) | | 25.88 | 1.44 | 1.94 |
| (Short)/Excess provision of gratuity (Note-2) | | (4.60) | (2.06) | (2.06) |
| Short/(Excess) profit recognised on sale of PPE (Note-3) | | - | 2.56 | - |
| Short/(Excess) recognition of accrued interest on fixed deposits (Note-4) | | 1.36 | - | - |
| Revenue expenditure recorded as capital expenditure (Note-5) | | - | (0.35) | - |
| Adjusted Profit before Tax | 134.47 | 54.32 | 28.47 | 50.84 |
| Net Profit before Tax as per Restated Accounts: | 134.47 | 54.32 | 28.48 | 50.84 |

Notes:

1. Excess provision of depreciation has been reversed from the respective years due to proper classification of assets and rates as per
2. Provision of Gratuity has been made in consideration with actuarial report.
3. Recognition of profit on sale of PPE has been made as per Companies act, 2013.
4. Recognition of accrued interest has been made in the respective year.
5. Revenue expenditure wrongly capitalised, now reclassified.

(b) Reconciliation of restated Equity/ Networkth

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at | As at | | |
|--|-----------|-----------|-----------|-----------|
| | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Total Equity (As per Audited Financial Statements) | 602.88 | 636.04 | 619.62 | 379.39 |
| Restatement adjustments: | | | | |
| (Short)/Excess provision of depreciation on PPE (Note-1) | - | 18.51 | (7.37) | (8.82) |
| (Short)/Excess provision of gratuity (Note-2) | - | (8.72) | (4.11) | (2.06) |
| Short/(Excess) profit recognised on sale of PPE (Note-3) | - | 2.56 | 2.56 | - |
| Short/(Excess) recognition of accrued interest on fixed deposits (Note-4) | - | 1.36 | - | - |
| Revenue expenditure recorded as capital expenditure (Note-5) | - | (145.91) | (145.91) | (74.64) |
| (Short)/Excess provision of deferred tax (Note-6) | - | (1.42) | (1.13) | (0.48) |
| Reclassification of Share Application Money pending allotment as per Revised Schedule III (Note-7) | - | - | (221.88) | - |
| Adjusted Total Equity | 602.88 | 502.43 | 241.77 | 293.40 |
| Total equity as per Restated Statement of Assets and Liabilities | 602.88 | 502.43 | 241.77 | 293.40 |

Notes:

1. Excess provision of depreciation has been reversed from the respective years due to proper classification of assets and rates as per
2. Provision of Gratuity has been made in consideration as per actuarial report.
3. Recognition of profit on sale of PPE has been made as per Companies act, 2013.
4. Proper recognition of accrued interest has been made in the respective years.
5. Revenue expenditure wrongly capitalised, now restated.
6. Deferred Tax provision as been made in pursuance of AS-22
7. Reclassification of Share Application Money pending allotment as per Revised Schedule III

(c) Reconciliation of Items of Restated Statement of Assets and Liabilities

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at | As at | | |
|---|-----------|------------|------------|------------|
| | 31-Aug-22 | 31-03-2022 | 31-03-2021 | 31-03-2020 |
| Property, Plant & Equipment (As per Audited Financial Statements) | 407.32 | 559.08 | 646.05 | 353.25 |
| Restatement adjustments: | | | | |
| (Short)/Excess provision of depreciation on PPE (Note-1) | - | 18.51 | (7.37) | (8.82) |
| Revenue expenditure recorded as capital expenditure (Note-2) | - | (145.91) | (145.91) | (74.64) |
| Short/(Excess) profit recognised on sale of PPE (Note-3) | - | 2.56 | 2.56 | - |
| Adjusted Property, Plant & Equipment | 407.32 | 434.24 | 495.33 | 269.80 |
| Property, Plant & Equipment (As per Restated Statement of Assets and Liabilities) | 407.32 | 434.24 | 495.33 | 269.80 |

Notes:

1. Excess provision of depreciation has been reversed from the respective years due to proper classification of assets as per Companies Act, 2013 and rates given thereunder.
2. Revenue expenditure wrongly capitalised, now restated.
3. Correct recognition of profit on sale of PPE has been made.

(d) Explanatory notes for the restatement adjustments

- (i) The amount relating to the income/ expenses have been adjusted in the year to which the same relates to and under which head the same
- (ii) Appropriate adjustments have been made in the restated financial statements, wherever required, by reclassification of the corresponding item of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per audited financials of the company for

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

ANNEXURE 7 STATEMENT OF SHARE CAPITAL

(Amount in Lakhs, Unless Otherwise Stated)

| <u>Share Capital</u> | As at 31-Aug-22 | As at | | |
|---|----------------------------|------------------|------------------|------------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| <u>Authorized*</u> | | | | |
| Number of Shares | 60,00,000 | 60,00,000 | 60,00,000 | 50,00,000 |
| Equity Shares of Rs.10 each | 600.00 | 600.00 | 600.00 | 500.00 |
| <u>Issued</u> | | | | |
| Number of Shares | 51,72,738 | 51,72,738 | 33,23,705 | 33,23,705 |
| Equity Shares of Rs.10 each | 517.27 | 517.27 | 332.37 | 332.37 |
| <u>Subscribed & Paid up</u> | | | | |
| Number of Shares | 51,72,738 | 51,72,738 | 33,23,705 | 33,23,705 |
| Equity Shares of Rs.10 each fully paid up | 517.27 | 517.27 | 332.37 | 332.37 |

Note:

1. Company has issued 688079 equity shares of Rs. 10 each fully paid at par as on 19/08/2019.
2. Company has issued 1849033 equity shares of Rs. 10 each fully paid at a premium of Rs. 2 as on 02/12/2021.

Rights, Preferences and restrictions attached to equity shares

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Till date company has not declared any dividend.

RECONCILIATION OF NUMBER OF

| Particulars | As at 31-Aug-22 | As at | | |
|--|----------------------------|------------------|------------------|------------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Shares outstanding at the beginning of the year | 51,72,738 | 33,23,705 | 33,23,705 | 26,35,626 |
| Add: | | | | |
| Shares issued during the year | - | 18,49,033 | - | 6,88,079 |
| Less: | | | | |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 51,72,738 | 51,72,738 | 33,23,705 | 33,23,705 |

Note:

1. As on 31-03-2021 company has entered into slump sale agreement with Troupe Technologies Private Limited. Accordingly company has taken over all the assets and liabilities and has issued equity shares as on 02-12-2021 to the company Troupe Technologies Private Limited against the acquisition of its assets.
2. Company has issued 18,49,033 shares under acquisition of business as on 02/12/2021.
3. Company has issued 6,88,079 shares in cash as on 19/08/2019.

Details of Shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of the shareholder | Number of Shares and % Holding | | | |
|-------------------------------------|---------------------------------------|------------------|------------------|------------------|
| | As at 31-Aug-22 | As at | | |
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Mehboob Alam | 20,33,705 | 20,33,705 | 20,33,705 | 20,33,705 |
| % Holding | 39.32% | 39.32% | 61.19% | 61.19% |
| Shakir Khan | 4,90,000 | 4,90,000 | 4,90,000 | 4,90,000 |
| % Holding | 9.47% | 9.47% | 14.74% | 14.74% |
| Khursheed Alam | 7,99,985 | 7,99,985 | 8,00,000 | 8,00,000 |
| % Holding | 15.47% | 15.47% | 24.07% | 24.07% |
| Troupe Technologies Private Limited | 18,49,033 | 18,49,033 | - | - |
| % Holding | 35.75% | 35.75% | 0.00% | 0.00% |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Shareholding of Promoters at the end of the period

As at 31-August-2022

| Name of the shareholder | No. of Shares | % of total shares | % change during the period |
|-------------------------------------|---------------|-------------------|----------------------------|
| Mehboob Alam | 20,33,705 | 39.32% | 0.00% |
| Troupe Technologies Private Limited | 18,49,033 | 35.75% | 0.00% |
| Khursheed Alam | 7,99,985 | 15.47% | 0.00% |

As at 31-Mar-2022

| Name of the shareholder | No. of Shares | % of total shares | % change during the period |
|-------------------------------------|---------------|-------------------|----------------------------|
| Mehboob Alam | 20,33,705 | 39.32% | 21.87% |
| Troupe Technologies Private Limited | 18,49,033 | 35.75% | 100.00% |
| Khursheed Alam | 7,99,985 | 15.47% | 8.60% |

As at 31-Mar-2021

| Name of the shareholder | No. of Shares | % of total shares | % change during the period |
|-------------------------|---------------|-------------------|----------------------------|
| Mehboob Alam | 20,33,705 | 61.19% | 0.00% |
| Shakir Khan | 4,90,000 | 14.74% | 0.00% |
| Khursheed Alam | 8,00,000 | 24.07% | 0.00% |

As at 31-Mar-2020

| Name of the shareholder | No. of Shares | % of total shares |
|-------------------------|---------------|-------------------|
| Mehboob Alam | 20,33,705 | 61.19% |
| Shakir Khan | 4,90,000 | 14.74% |
| Khursheed Alam | 8,00,000 | 24.07% |

No class of shares have been bought back by the Company during the period of one years immediately preceeding the current period end.

ANNEXURE 8
STATEMENT OF RESERVES AND SURPLUS

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|--|--------------------|----------------|----------------|----------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Profit and Loss Account | | | | |
| Balance as per the previous financial statements | (51.83) | (90.60) | (38.97) | 2.79 |
| Profit/(Loss) for the Year | 100.45 | 38.77 | 20.21 | 41.80 |
| Amount Available for Appropriation | 48.63 | (51.83) | (18.77) | 44.58 |
| Less - MAT Credit | - | - | (0.91) | - |
| Less - Adjustment for writing off expenses | - | - | (70.92) | (74.64) |
| Less - Adjustment for prior period depreciation | - | - | - | (10.75) |
| Add - Adjustment for Deferred Tax | - | - | - | 1.83 |
| Profit and Loss Account (A) | 48.63 | (51.83) | (90.60) | (38.97) |
| Securities Premium Account | | | | |
| Balance as per the previous financial statements | 36.98 | - | - | - |
| Increase/(Decrease) in the current period | - | 36.98 | - | - |
| Securities Premium Account (B) | 36.98 | 36.98 | - | - |
| | | | | |
| Total Reserves and Surplus (A+B) | 85.61 | (14.84) | (90.60) | (38.97) |

ANNEXURE 9**STATEMENT OF SHARE APPLICATION MONEY PENDING ALLOTMENT**

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|-----------|---------------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Share Application Money Pending Allotment | - | - | 221.88 | - |
| Total | - | - | 221.88 | - |

Note:- Share application money amount pertains to acquisition of business via slump sale agreement dated 31/03/2021 of Troupe Technologies Private Limited. Allotment of equity share dated 02/12/2021 which is not within time limit provided as per Companies act 2013 and rules there under.

ANNEXURE 10
STATEMENT OF LONG TERM BORROWINGS

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|---------------|---------------|---------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Long Term Borrowings | | | | |
| Secured Loan | | | | |
| - From Bank/ Financial Institutions | 342.70 | 379.67 | 403.33 | 167.20 |
| - Less: Current Maturities of Long Term Debt | 87.59 | 89.98 | 81.25 | 39.84 |
| Total Long Term Borrowings (Secured) {A} | 255.11 | 289.70 | 322.07 | 127.36 |
| Unsecured Loan | | | | |
| - From Related Parties | 18.00 | 42.00 | 44.50 | 81.50 |
| - From Bank and Financial Institution | 110.72 | 143.80 | 267.58 | - |
| - From Others | - | - | 102.95 | 5.00 |
| - Less: Current Maturities of Long Term Debt | 76.70 | 81.33 | 97.06 | - |
| Total Long Term Borrowings (Unsecured) {B} | 52.02 | 104.46 | 317.97 | 86.50 |
| Total {A+B} | 307.13 | 394.16 | 640.04 | 213.86 |

ANNEXURE 11
STATEMENT OF SHORT TERM BORROWINGS

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|--|--------------------|---------------|---------------|---------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Short Term Borrowings | | | | |
| - Current Maturities of Long Term Debt | | | | |
| Secured Loan | 87.59 | 89.98 | 81.25 | 39.84 |
| Unsecured Loan | 76.70 | 81.33 | 97.06 | - |
| - From Bank and Financial Institutions (Secured) | 609.32 | 548.32 | 594.02 | 147.23 |
| Total | 773.61 | 719.63 | 772.34 | 187.07 |
| The above amount includes: | | | | |
| Secured Borrowings | 952.02 | 927.99 | 997.35 | 314.43 |
| Unsecured Borrowings | 128.72 | 185.80 | 415.03 | 86.50 |

ANNEXURE 10.1 & ANNEXURE 11.1

STATEMENT OF PRINCIPAL TERMS OF LOANS AND ASSETS CHARGED AS SECURITY

| Name of Lender | Nature of Facility | Sanctioned Amount (In Lakhs Rs.) | Securities offered | Re-Payment Mode | Rate of Interest | Outstanding amount (In Lakhs Rs.) as on (as per Books) 31-Aug-22 | Outstanding amount (In Lakhs Rs.) as on (as per Books) 31-Mar-22 | Outstanding amount (In Lakhs Rs.) as on (as per Books) 31-Mar-21 | Outstanding amount (In Lakhs Rs.) as on (as per Books) 31-Mar-20 |
|----------------------|-----------------------|----------------------------------|--|-----------------|------------------|--|--|--|--|
| SECURED LOANS | | | | | | | | | |
| Bank of India | Cash Credit | 180.00 | Stock and book debts | Running Limit | 9.50% | - | - | 176.33 | - |
| Canara Bank | Cash Credit | 840.00 | 1 Commercial Bldg. 2 Residential Flat | Running Limit | 7.45% | 609.32 | 548.32 | 417.70 | 147.23 |
| Canara Bank | Term Loan | 85.00 | Machinery | EMI | 7.75% | 67.01 | 72.11 | 80.63 | 85.00 |
| Canara Bank | Term Loan | 75.00 | Machinery | EMI | 7.45% | 12.19 | 18.95 | 35.20 | 44.45 |
| Canara Bank | Term Loan | 35.00 | Machinery | EMI | 7.75% | 26.63 | 28.71 | 33.74 | - |
| Canara Bank | GST Loan | 40.00 | Stock and Machinery | EMI | 11.20% | - | (0.27) | 12.66 | 33.33 |
| Canara Bank | GECL Loan | 70.00 | Stock, Machinery & building | EMI | 7.50% | 44.65 | 53.94 | 70.00 | - |
| Canara Bank | GECL Loan | 100.00 | Stock & building | EMI | 7.85% | 100.00 | 100.00 | - | - |
| Canara Bank | GECL Loan | 33.00 | Stock & building | EMI | 7.85% | 21.83 | 26.58 | - | - |
| HDFC Bank | Mahindra Finance Loan | 7.31 | Vehicle purchases against loan | EMI | 13.50% | - | - | 2.37 | 4.43 |
| SIDBI | Term Loan | 100.00 | Machinery | EMI | 8.37% | 70.40 | 79.65 | 100.00 | - |
| PNB | Term Loan | 100.00 | Machinery | EMI | 9.90% | - | - | 68.72 | - |
| Total | | | | | | 952.02 | 927.99 | 997.35 | 314.43 |

| | | | | | | | | | |
|----------------------------|---------------------|-------|-----|---------------------|--------|---------------|---------------|---------------|--------------|
| UNSECURED LOANS | | | | | | | | | |
| Aditya Birla Loan | Term Loan | 20.00 | Nil | EMI | 18.00% | 9.01 | 11.77 | 17.57 | - |
| Ashv Finance Loan | Term Loan | 20.00 | Nil | EMI | 18.00% | 2.90 | 7.46 | 17.13 | - |
| Bajaj Finance Limited | Term Loan | 30.60 | Nil | EMI | 18.00% | 30.59 | 30.59 | 30.59 | - |
| Bank of India GECL | Term Loan | 33.00 | Nil | EMI | 7.85% | - | - | 33.00 | - |
| Deutsche Bank | Term Loan | 25.00 | Nil | EMI | 17.00% | 12.64 | 16.05 | 23.33 | - |
| Fullerton India Loan | Term Loan | 20.00 | Nil | EMI | 18.72% | 2.90 | 7.45 | 12.01 | - |
| Fullerton India Loan | Term Loan | 20.00 | Nil | EMI | 18.58% | - | - | 17.04 | - |
| HDFC Loan | Term Loan | 35.00 | Nil | EMI | 17.50% | 14.16 | 15.92 | 24.18 | - |
| ICICI bank Business | Term Loan | 20.00 | Nil | EMI | 16.50% | 8.81 | 11.64 | 18.54 | - |
| IDFC Loan | Term Loan | 25.00 | Nil | EMI | 16.50% | 11.43 | 15.01 | 22.66 | - |
| Indusind Loan | Term Loan | 25.00 | Nil | EMI | 18.50% | 0.98 | 5.25 | 14.27 | - |
| Magma Fincorp Ltd. BL Loan | Term Loan | 17.84 | Nil | EMI | 16.40% | 8.58 | 9.57 | 14.90 | - |
| RBL Loan | Term Loan | 25.10 | Nil | EMI | 18.00% | 8.72 | 13.09 | 22.34 | - |
| Loan from Directors | Repayable on Demand | NA | Nil | Repayable on Demand | NA | - | 24.00 | 24.00 | 24.00 |
| Other Loans | Repayable on Demand | NA | Nil | Repayable on Demand | NA | 18.00 | 18.00 | 123.45 | 62.50 |
| Total | | | | | | 128.72 | 185.80 | 415.03 | 86.50 |

The company is regular in submitting monthly returns or statements of current assets with Canara bank. Company has submitted the following in monthly return for the month ended August 31, 2022, March 31, 2022, March 31, 2021 and March, 2020: -

As at 31st August 2022

| Particulars | As per Return | As per Financials | Difference | Reason |
|-------------|---------------|-------------------|------------|---|
| Inventory | 1,203.59 | 1,226.29 | (22.70) | The difference is due to the submissions to the Banks were made before financial reporting closure process. |
| Creditors | 394.33 | 419.67 | (25.34) | |
| Book Debts | 439.95 | 441.53 | (1.58) | |

As at 31st March 2022

| Particulars | As per Return | As per Financials | Difference | Reason |
|-------------|---------------|-------------------|------------|---|
| Inventory | 1,339.65 | 1,245.17 | 94.48 | The difference is due to the submissions to the Banks were made before financial reporting closure process. |
| Creditors | 611.81 | 638.26 | (26.45) | |
| Book Debts | 492.17 | 676.70 | (184.53) | |

As at 31st March 2021

| Particulars | As per Return | As per Financials | Difference | Reason |
|-------------|---------------|-------------------|------------|---|
| Inventory | 1,273.10 | 1,417.21 | (144.11) | The difference is due to the submissions to the Banks were made before financial reporting closure process. |
| Creditors | 807.55 | 867.07 | (59.52) | |
| Book Debts | 716.32 | 884.79 | (168.46) | |

As at 31st March 2020

| Particulars | As per Return | As per Financials | Difference | Reason |
|-------------|---------------|-------------------|------------|---|
| Inventory | 894.01 | 671.94 | 222.06 | The difference is due to the submissions to the Banks were made before financial reporting closure process. |
| Creditors | 85.10 | 613.98 | (528.88) | |
| Book Debts | 162.08 | 521.61 | (359.53) | |

ANNEXURE 12**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|-------------|-------------|-------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Opening Balance (A) | | | | |
| Opening Balance of Deferred Tax (Asset)/ Liability | 1.42 | 1.13 | 0.48 | (1.83) |
| Current Year Provision (B) | | | | |
| (DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act. | 0.51 | 0.29 | 0.65 | 2.32 |
| Closing Balance of Deferred Tax (Asset)/ Liability (A+B) | 1.93 | 1.42 | 1.13 | 0.48 |

ANNEXURE 13**STATEMENT OF LONG TERM PROVISIONS**

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|------------------------|--------------------|-------------|-------------|-------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Provision for Gratuity | 9.23 | 8.69 | 4.10 | 2.05 |
| Total | 9.23 | 8.69 | 4.10 | 2.05 |

ANNEXURE 14
STATEMENT OF TRADE PAYABLES

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|---------------------------------------|--------------------|---------------|---------------|---------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| For Goods & Services | | | | |
| - Micro, Small and Medium Enterprises | - | - | - | - |
| - Others | 419.67 | 638.26 | 867.07 | 613.98 |
| Further classified as: | | | | |
| -Payable to Related Parties | - | - | - | 68.00 |
| -Payable to Others | 419.67 | 638.26 | 867.07 | 545.98 |
| Total | 419.67 | 638.26 | 867.07 | 613.98 |

Note -

1. There is no Unbilled and not Due trade payables are outstanding at the year ended.
2. No Proper Due is specified by the vendors, payment terms are as per general business practices

The trade payables ageing schedule for the period August 31, 2022 is as follows

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|--|-------------|----------|---------------------|---------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - |
| Others | 419.63 | 0.04 | - | - | 419.67 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total trade payables | 419.63 | 0.04 | - | - | 419.67 |

The trade payables ageing schedule for the year ended March 31, 2022 is as follows

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|--|-------------|----------|---------------------|---------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - |
| Others | 638.21 | 0.04 | - | - | 638.26 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total trade payables | 638.21 | 0.04 | - | - | 638.26 |

The trade payables ageing schedule for the year ended March 31, 2021 is as follows

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|--|-------------|----------|---------------------|---------------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - |
| Others | 860.60 | 6.47 | - | - | 867.07 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total trade payables | 860.60 | 6.47 | - | - | 867.07 |

The trade payables ageing schedule for the year ended March 31, 2020 is as follows

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|--|----------|----------|------------------|--------|
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 Year | |
| MSME | - | - | - | - | - |
| Others | 613.74 | 0.24 | - | - | 613.98 |
| Disputed dues - MSME | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - |
| Total trade payables | 613.74 | 0.24 | - | - | 613.98 |

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|-----------|-----------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| (a) Amount remaining unpaid to any supplier at the end of each accounting year: | | | | |
| Principal and interest | - | - | - | - |
| Total | - | - | - | - |
| (b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year. | - | - | - | - |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act. | - | - | - | - |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year. | - | - | - | - |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act. | - | - | - | - |

ANNEXURE 15
STATEMENT OF OTHER CURRENT LIABILITIES

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|------------------------|--------------------|---------------|---------------|---------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Advance from Customers | 89.98 | 155.92 | 300.50 | 339.93 |
| Total | 89.98 | 155.92 | 300.50 | 339.93 |

ANNEXURE 16
STATEMENT OF SHORT TERM PROVISIONS

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|------------------------------------|--------------------|---------------|--------------|--------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Provision for Expenses | 15.97 | 88.82 | 75.39 | 18.85 |
| Provision for Income Tax | 48.77 | 15.26 | 10.30 | 6.73 |
| Provision for Other Statutory Dues | 2.86 | 2.73 | 6.12 | 2.63 |
| Provision for Gratuity | 0.18 | 0.03 | 0.01 | 0.01 |
| Total | 67.78 | 106.84 | 91.81 | 28.21 |

ANNEXURE 17
NON CURRENT ASSETS
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(Amount in Lakhs, Unless Otherwise Stated)

| PARTICULARS | Tangible Assets | | | | | | Intangible Assets | |
|---|-------------------------|---------------------------------------|---------------------|------------------|-------------------|---------------|-------------------|-------------|
| | Computers & Accessories | Electrical Installation & Equipment's | Furniture & Fixture | Office Equipment | Plant & Machinery | Total | Software | Total |
| Period ended August 31, 2022 | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | |
| Opening Gross Carrying Amount | 3.85 | 2.10 | 35.63 | 7.45 | 623.83 | 672.86 | 4.10 | 4.10 |
| Additions | 0.18 | 0.82 | - | - | 6.78 | 7.78 | - | - |
| Disposals/Adjustment | - | - | - | - | - | - | - | - |
| Closing Gross Carrying Amount | 4.03 | 2.92 | 35.63 | 7.45 | 630.61 | 680.64 | 4.10 | 4.10 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| Opening Accumulated Depreciation | 3.00 | 1.21 | 14.58 | 4.41 | 218.47 | 241.68 | 1.05 | 1.05 |
| Depreciation charged during the year | 0.20 | 0.15 | 2.27 | 0.57 | 30.70 | 33.90 | 0.80 | 0.80 |
| Disposals/Adjustments | - | - | - | - | - | - | - | - |
| Closing Accumulated Depreciation | 3.21 | 1.36 | 16.85 | 4.98 | 249.18 | 275.57 | 1.85 | 1.85 |
| Net Carrying Amount | 0.82 | 1.56 | 18.78 | 2.47 | 381.44 | 405.07 | 2.25 | 2.25 |

| PARTICULARS | Tangible Assets | | | | | | Intangible Assets | |
|---|-------------------------|---------------------------------------|---------------------|------------------|-------------------|---------------|-------------------|-------------|
| | Computers & Accessories | Electrical Installation & Equipment's | Furniture & Fixture | Office Equipment | Plant & Machinery | Total | Software | Total |
| Year ended March 31, 2022 | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | |
| Opening Gross Carrying Amount | 3.47 | 2.00 | 35.10 | 6.27 | 591.71 | 638.54 | - | - |
| Additions | 0.38 | 0.10 | 0.53 | 1.19 | 32.12 | 34.32 | 4.10 | 4.10 |
| Disposals/Adjustment | - | - | - | - | - | - | - | - |
| Closing Gross Carrying Amount | 3.85 | 2.10 | 35.63 | 7.45 | 623.83 | 672.86 | 4.10 | 4.10 |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| Opening Accumulated Depreciation | 2.07 | 0.94 | 7.27 | 2.60 | 130.33 | 143.21 | - | - |
| Depreciation charged during the year | 0.93 | 0.28 | 7.30 | 1.81 | 88.15 | 98.47 | 1.05 | 1.05 |
| Disposals/Adjustments | - | - | - | - | - | - | - | - |
| Closing Accumulated Depreciation | 3.00 | 1.21 | 14.58 | 4.41 | 218.47 | 241.68 | 1.05 | 1.05 |
| Net Carrying Amount | 0.85 | 0.89 | 21.05 | 3.04 | 405.35 | 431.18 | 3.06 | 3.06 |

| PARTICULARS | Tangible Assets | | | | | | Intangible Assets | |
|---|-------------------------|---------------------------------------|---------------------|------------------|-------------------|---------------|-------------------|----------|
| | Computers & Accessories | Electrical Installation & Equipment's | Furniture & Fixture | Office Equipment | Plant & Machinery | Total | Software | Total |
| Year ended March 31, 2021 | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | |
| Opening Gross Carrying Amount | 2.02 | 1.47 | 11.31 | 2.70 | 343.83 | 361.33 | - | - |
| Additions | 1.45 | 0.53 | 23.79 | 3.56 | 254.16 | 283.49 | - | - |
| Disposals/Adjustment | - | - | - | - | 6.28 | 6.28 | - | - |
| Closing Gross Carrying Amount | 3.47 | 2.00 | 35.10 | 6.27 | 591.71 | 638.54 | - | - |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| Opening Accumulated Depreciation | 1.51 | 0.71 | 5.55 | 1.94 | 81.82 | 91.53 | - | - |
| Depreciation charged during the year | 0.56 | 0.23 | 1.72 | 0.66 | 49.80 | 52.97 | - | - |
| Disposals/Adjustments | - | - | - | - | 1.29 | 1.29 | - | - |
| Closing Accumulated Depreciation | 2.07 | 0.94 | 7.27 | 2.60 | 130.33 | 143.21 | - | - |
| Net Carrying Amount | 1.40 | 1.06 | 27.83 | 3.66 | 461.38 | 495.33 | - | - |

| PARTICULARS | Tangible Assets | | | | | | Intangible Assets | |
|---|-------------------------|---------------------------------------|---------------------|------------------|-------------------|---------------|-------------------|----------|
| | Computers & Accessories | Electrical Installation & Equipment's | Furniture & Fixture | Office Equipment | Plant & Machinery | Total | Software | Total |
| Year ended March 31, 2020 | | | | | | | | |
| GROSS CARRYING AMOUNT | | | | | | | | |
| Opening Gross Carrying Amount | 1.66 | 1.34 | 11.08 | 2.60 | 228.70 | 245.38 | - | - |
| Additions | 0.35 | 0.12 | 0.23 | 0.11 | 115.13 | 115.94 | - | - |
| Disposals/Adjustment | - | - | - | - | - | - | - | - |
| Closing Gross Carrying Amount | 2.02 | 1.47 | 11.31 | 2.70 | 343.83 | 361.33 | - | - |
| ACCUMULATED DEPRECIATION | | | | | | | | |
| Opening Accumulated Depreciation | 1.14 | 0.45 | 3.61 | 1.36 | 43.20 | 49.76 | - | - |
| Depreciation charged during the year | 0.37 | 0.26 | 1.94 | 0.58 | 38.61 | 41.78 | - | - |
| Disposals/Adjustments | - | - | - | - | - | - | - | - |
| Closing Accumulated Depreciation | 1.51 | 0.71 | 5.55 | 1.94 | 81.82 | 91.53 | - | - |
| Net Carrying Amount | 0.51 | 0.76 | 5.76 | 0.76 | 262.01 | 269.80 | - | - |

Notes:

1. Title Deeds of Immovable Property not held in the Name of Company.

| Particular | Relevant Line Item in Balance Sheet | Description of Item of Property | Gross Carrying Value | Title Deeds held in the name of | Whether the title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director | Property held since which date | Reason for not being held in the name of company |
|------------|-------------------------------------|---------------------------------|----------------------|---------------------------------|---|--------------------------------|--|
|------------|-------------------------------------|---------------------------------|----------------------|---------------------------------|---|--------------------------------|--|

There are no immovable properties which are not held in the name of the company.

2. Benami Property

There is no Proceeding initiated or Pending against the company for holding any benami property under Benami Transaction (Prohibition) Act 1988.

ANNEXURE 18
STATEMENT OF LONG TERM LOANS AND ADVANCES

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|--------------------------|--------------------|-------------|-------------|-------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Other Loans and Advances | 5.00 | 5.00 | 5.00 | 5.00 |
| Total | 5.00 | 5.00 | 5.00 | 5.00 |

ANNEXURE 19
STATEMENT OF OTHER NON CURRENT ASSETS

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|------------------|--------------------|--------------|--------------|-------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Security Deposit | 75.57 | 75.57 | 75.46 | 6.21 |
| Total | 75.57 | 75.57 | 75.46 | 6.21 |

ANNEXURE 20
STATEMENT OF INVENTORIES

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|--|--------------------|-----------------|-----------------|---------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Closing Stock of; | | | | |
| Raw Materials | 1,089.32 | 975.33 | 844.70 | 489.00 |
| Stock-in-trade | 124.25 | 268.96 | 342.68 | 172.90 |
| Finished Goods | 12.71 | 0.89 | 5.28 | 10.05 |
| Closing Stock of TTPL transferred vide slump sale as of 31-03-20 | - | - | 224.54 | - |
| Total | 1,226.29 | 1,245.17 | 1,417.21 | 671.94 |

ANNEXURE 21

STATEMENT OF TRADE RECEIVABLES

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at | As at | | |
|--|---------------|---------------|---------------|---------------|
| | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Unsecured | | | | |
| -Considered good | 441.53 | 676.70 | 884.79 | 521.61 |
| Less : Provision for Doubtful Debts | - | - | - | - |
| Total | 441.53 | 676.70 | 884.79 | 521.61 |
| Further classified as: | | | | |
| Receivable from related parties | - | - | - | - |
| Receivable from others | 441.53 | 676.70 | 884.79 | 521.61 |
| Total | 441.53 | 676.70 | 884.79 | 521.61 |

The trade receivables ageing schedule for the period August 31, 2022 is as follows

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|--------|
| (i) Undisputed Trade receivables – considered good | 351.13 | 34.47 | 48.89 | 1.45 | 0.87 | 436.81 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | 0.80 | - | 3.43 | 0.49 | - | 4.72 |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

The trade receivables ageing schedule for the year March 31, 2022 is as follows

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|--------|
| (i) Undisputed Trade receivables – considered good | 568.79 | 93.71 | 13.67 | 0.53 | - | 676.70 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

The trade receivables ageing schedule for the year March 31, 2021 is as follows

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|--------|
| (i) Undisputed Trade receivables – considered good | 882.90 | 1.26 | 0.63 | - | - | 884.79 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

The trade receivables ageing schedule for the year March 31, 2020 is as follows

| Particulars | Less than 6 months | 6 Month to 1 year | 1-2 years | 2-3 years | More than 3 Years | Total |
|---|--------------------|-------------------|-----------|-----------|-------------------|--------|
| (i) Undisputed Trade receivables – considered good | 519.18 | 2.38 | 0.06 | - | - | 521.61 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |

ANNEXURE 22
STATEMENT OF CASH & CASH EQUIVALENTS

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at | As at | | |
|---|--------------|--------------|--------------|-------------|
| | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Cash on Hand (As Certified by Management) | 0.56 | 0.32 | 0.64 | 0.12 |
| Balances with Banks | | | | |
| - In Current Accounts | - | - | 0.71 | 6.00 |
| - In Deposit Account | 35.00 | 25.00 | 35.34 | - |
| Total | 35.56 | 25.32 | 36.69 | 6.11 |

ANNEXURE 23

STATEMENT OF SHORT-TERM LOANS AND ADVANCES

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|-------------|-------------|-------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Unsecured, Considered Good unless otherwise stated; Other Loans & Advances | 1.60 | 1.50 | 3.67 | 0.13 |
| Total | 1.60 | 1.50 | 3.67 | 0.13 |

ANNEXURE 24**STATEMENT OF OTHER CURRENT ASSETS**

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at | As at | | |
|----------------------------------|--------------|--------------|---------------|---------------|
| | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Prepaid Expenses | 5.04 | 2.65 | 2.48 | 1.74 |
| Deposit with Revenue Authorities | 25.80 | 37.40 | 168.90 | 137.88 |
| Advances to Suppliers | 46.02 | 22.06 | 49.97 | 58.51 |
| Other Current Assets | 2.48 | 1.73 | 1.15 | 0.05 |
| Total | 79.35 | 63.84 | 222.50 | 198.18 |

ANNEXURE 25

REVENUE FROM OPERATIONS

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
|-------------------------|--------------------------------------|--------------------|-----------------|-----------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Sale of Products | | | | |
| - Export | - | 0.50 | 60.67 | 178.68 |
| - Domestic | 1,554.69 | 2,951.74 | 2,539.82 | 1,983.61 |
| Sale of Services | | | | |
| - Export | - | - | - | - |
| - Domestic | 0.67 | 12.65 | - | - |
| Total | 1,555.36 | 2,964.89 | 2,600.49 | 2,162.29 |

ANNEXURE 26
STATEMENT OF OTHER INCOME

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
|--|-----------------------------------|--------------------|-------------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Related and Recurring Income: | | | | |
| Interest Income | 2.08 | 1.85 | - | - |
| Discount | - | 1.25 | - | - |
| Others | 1.71 | 5.29 | 1.00 | - |
| Related and Non Recurring Income: | | | | |
| Profit on sale of Fixed Assets | - | - | 2.36 | - |
| Total | 3.79 | 8.39 | 3.36 | - |

ANNEXURE 27
COST OF MATERIAL CONSUMED

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
|-------------------------------------|-----------------------------------|--------------------|-----------------|-----------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Opening Stock of Raw Material | 975.33 | 844.70 | 489.00 | 127.19 |
| Add: Purchases of Raw Material | 971.22 | 2,020.82 | 2,520.70 | 2,109.89 |
| Add: Direct Expenses | 77.17 | 149.11 | 106.66 | 77.59 |
| Less: Closing Stock of Raw Material | 1,089.32 | 975.33 | 844.70 | 489.00 |
| Total | 934.39 | 2,039.31 | 2,271.65 | 1,825.67 |

ANNEXURE 28
PURCHASE OF STOCK-IN-TRADE

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
|----------------------------|-----------------------------------|--------------------|--------------|--------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Purchase of Stock-in-trade | 54.98 | 31.73 | 25.72 | 65.22 |
| Total | 54.98 | 31.73 | 25.72 | 65.22 |

ANNEXURE 29
CHANGES IN INVENTORIES OF STOCK-IN-TRADE

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
|--|-----------------------------------|--------------------|-----------------|-----------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| <u>Inventories at the end of the year</u> | | | | |
| Stock-In-Trade & Finished Goods | 136.97 | 269.84 | 347.97 | 182.94 |
| <u>Inventories at the beginning of the year</u> | | | | |
| Stock-In-Trade & Finished Goods | 269.84 | 347.97 | 182.94 | 59.66 |
| Net(Increase)/decrease | 132.88 | 78.12 | (165.02) | (123.28) |

ANNEXURE 30
EMPLOYEE BENEFIT EXPENSES

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
|--|-----------------------------------|--------------------|---------------|---------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| a) Salaries and Bonus | 44.22 | 106.71 | 65.08 | 62.65 |
| b) Director's Remuneration | 30.99 | 75.88 | 49.48 | 32.58 |
| c) Gratuity | 0.70 | 4.60 | 2.06 | 2.06 |
| d) Other Employee Benefit Expenses | 3.32 | 0.83 | 0.60 | 2.48 |
| e) Contribution to Provident Fund & ESIC | 7.26 | 18.21 | 7.87 | 7.27 |
| Total | 86.49 | 206.24 | 125.10 | 107.04 |

ANNEXURE 31
FINANCE COST

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
|-----------------------------------|-----------------------------------|--------------------|---------------|--------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Interest paid ; | | | | |
| - Related Parties | 0.75 | 4.38 | 12.56 | 12.45 |
| - Banks and Financial Institution | 39.27 | 135.32 | 86.56 | 19.10 |
| Other Finance Charges | 15.03 | 8.45 | 13.96 | 4.81 |
| | | | | |
| Total | 55.05 | 148.16 | 113.08 | 36.37 |

ANNEXURE 32
DEPRECIATION AND AMORTIZATION

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
|--------------|-----------------------------------|--------------------|--------------|--------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| | | | | |
| Depreciation | 33.90 | 98.47 | 52.97 | 41.78 |
| Amortization | 0.80 | 1.05 | - | - |
| Total | 34.70 | 99.51 | 52.97 | 41.78 |

ANNEXURE 33
OTHER EXPENSES

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
|---|-----------------------------------|--------------------|---------------|---------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Discount Expense | 0.17 | 10.55 | 2.96 | 6.30 |
| Freight Charges | 1.05 | 4.44 | 1.12 | 6.90 |
| Insurance | 2.74 | 6.57 | 2.77 | 1.35 |
| Power and fuel | 20.97 | 65.85 | 13.64 | 6.38 |
| Professional Fees | 1.45 | 5.98 | 9.23 | 7.58 |
| Rates and taxes, excluding, taxes on income | 3.89 | 3.28 | 4.32 | 0.13 |
| Rent | 57.82 | 141.87 | 51.60 | 31.94 |
| Repairs to machinery | 1.67 | 4.55 | 2.70 | 7.00 |
| Transportation & Courier Expenses | 12.82 | 27.33 | 34.06 | 52.22 |
| Travelling & Conveyance | 4.13 | 6.72 | 2.90 | 10.13 |
| Other Expenses | 19.47 | 38.75 | 26.58 | 28.73 |
| | | | | |
| Total | 126.18 | 315.89 | 151.88 | 158.65 |

ANNEXURE 33.1
PAYMENT TO AUDITORS AS:

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
|-------------------------|-----------------------------------|--------------------|-----------|-------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Payment to auditors | | | | |
| a. Statutory Audit fees | 1.00 | 0.60 | - | 0.60 |
| b. For Taxation matters | - | - | - | - |
| Total | 1.00 | 0.60 | - | 0.60 |

ANNEXURE 34
STATEMENT OF MANDATORY ACCOUNTING RATIOS

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

| Particulars | As at | As at | | |
|---|-----------|-----------|-----------|-----------|
| | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Net Worth (A) | 602.88 | 502.43 | 241.77 | 293.40 |
| EBITDA | 220.43 | 293.60 | 191.16 | 128.99 |
| Restated Profit after tax | 100.45 | 38.77 | 20.21 | 41.80 |
| Less: Prior period item | - | - | - | - |
| Adjusted Profit after Tax (B) | 100.45 | 38.77 | 20.21 | 41.80 |
| Number of Equity Share outstanding as on the End of Year/Period (C) | 51.73 | 51.73 | 33.24 | 33.24 |
| Weighted average no of Equity shares at the time of end of the year (D) | 51.73 | 39.32 | 33.24 | 30.62 |
| Current Assets (E) | 1,784.32 | 2,012.53 | 2,564.86 | 1,397.97 |
| Current Liabilities (F) | 1,351.04 | 1,620.65 | 2,031.72 | 1,169.19 |
| Face Value per Share | 10.00 | 10.00 | 10.00 | 10.00 |
| Restated Basic and Diluted Earning Per Share (B/D) | 1.94 | 0.99 | 0.61 | 1.37 |
| Return on Net worth (%) (B/A) | 16.66% | 7.72% | 8.36% | 14.25% |
| Net asset value per share - Pre Bonus (A/D) (Face Value of Rs. 10 Each) | 11.65 | 12.78 | 7.27 | 9.58 |
| Current Ratio (E/F) | 1.32 | 1.24 | 1.26 | 1.20 |

1) The ratios have been computed as below:

(a) Basic earnings per share (Rs.): Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year

(b) Diluted earnings per share (Rs.): Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS

(c) Return on net worth (%): Net profit after tax (as restated) / Net worth at the end of the period or year

(d) Net assets value per share -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year

2) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).

3) The figures disclosed above are based on the restated summary statements of the company.

4) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2, 3.

Calculation for Weighted Number of Equity Shares

| Particulars | As at | As at | | |
|---|-----------|-----------|-----------|-----------|
| | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Opening balance of Equity Shares (A) | 51,72,738 | 33,23,705 | 33,23,705 | 26,35,626 |
| No. of Shares issued during the year (B) | - | 18,49,033 | - | 6,88,079 |
| No. of days factor (C) | | 120 | | 226 |
| Weighted average no. of shares (D=B*C/365) | | 6,07,901 | | 4,26,043 |
| Closing Weighted Number of Equity Shares (A+D) | 51,72,738 | 39,31,606 | 33,23,705 | 30,61,669 |

| Particulars | Allotment Date | Number of Shares |
|-----------------------------------|----------------|------------------|
| Shares allotted under acquisition | 02-12-2021 | 18,49,033 |
| Shares issued in cash | 19-08-2019 | 6,88,079 |

ANNEXURE 35**STATEMENT OF RELATED PARTY TRANSACTION**

The company has entered into related party transactions with below mentioned parties and transactions are identified as per accounting standard 18 issued by Institute of Chartered Accountants of India for the periods covered under audit:

As per Accounting Standard 18 on related party disclosure issue by the Institute of Chartered Accountants of India, the Company's related parties are disclosed below:

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

a) Company/entity owned or significantly influenced by directors/ KMP:

Troupe Technologies Private Limited

Sony Cable

WJT Industries

WJT Trading Company

b) Key Management Personnel's/Directors:

Mehboob Alam

Khursheed Alam

Shakir Khan

c) Relative of Key Management Personnels/Director/Partners:

Shama Sultana

Anisa Bano

Waheed Nizami

2. Transaction with Key Management Personnel/Directors

(Amount in Lakhs, Unless Otherwise Stated)

| Sr. No. | Nature of Transaction | As at | As at | | |
|---------|-------------------------------------|-----------|-----------|-----------|-----------|
| | | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| A | Remuneration | | | | |
| | Mehboob Alam | 10.17 | 24.40 | 24.40 | 16.27 |
| | Khursheed Alam | 17.25 | 30.00 | 19.20 | 12.49 |
| | Shakir Khan | 2.45 | 5.88 | 5.88 | 3.83 |
| B | Interest on Loan | | | | |
| | Mehboob Alam | - | 2.40 | 0.58 | 0.65 |
| | Shakir Khan | - | 0.01 | 0.05 | 0.02 |
| | Anisa Bano | - | 0.90 | 0.90 | 0.64 |
| | Waheed Nizami | - | 0.90 | 0.90 | 0.83 |
| | Troupe Technologies Private Limited | - | - | 10.08 | 10.25 |
| | Sony Cable | - | 0.01 | 0.05 | 0.02 |
| | WJT Industries | - | 0.17 | - | 0.05 |
| C | Rent | | | | |
| | Mehboob Alam | 0.40 | 0.90 | 0.90 | 0.90 |
| D | Loan Taken | | | | |
| | Mehboob Alam | - | - | - | 24.00 |
| | Shakir Khan | - | - | - | 0.50 |
| | Khursheed Alam | - | - | 1.35 | - |
| | Shama Sultana | - | - | 0.55 | - |
| | Anisa Bano | - | - | - | 9.00 |
| | Waheed Nizami | - | - | - | 11.00 |
| | Troupe Technologies Private Limited | - | - | - | - |
| | Sony Cable | - | - | - | 0.50 |
| | WJT Industries | - | - | - | 1.50 |
| E | Loan Repay | | | | |
| | Mehboob Alam | 24.00 | - | - | - |
| | Shakir Khan | - | 0.50 | - | - |
| | Khursheed Alam | - | 1.35 | - | - |
| | Shama Sultana | - | 0.55 | - | - |
| | Anisa Bano | - | - | - | 3.00 |
| | Waheed Nizami | - | - | 2.00 | 5.00 |
| | Troupe Technologies Private Limited | - | - | 35.00 | - |
| | Sony Cable | - | 0.50 | - | - |
| | WJT Industries | - | 1.50 | - | - |

| F | Purchases Troupe Technologies Private Limited | - | - | 1,017.32 | 332.08 |
|---|---|-----------|-----------|-----------|-----------|
| G | Sales Troupe Technologies Private Limited | - | - | 822.15 | 233.38 |
| H | Salary - Director (Relative) Shama Sultana | 1.13 | 15.60 | - | - |
| I | Acquisition of Business Troupe Technologies Private Limited | - | - | 18.49 | - |
| 3. Balances Outstanding at the end of the Year | | | | | |
| (Amount in Lakhs, Unless Otherwise Stated) | | | | | |
| Sr. No. | Name of the Related Party | As at | As at | | |
| | | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| 1 | Mehboob Alam | | | | |
| | Remuneration Payable | 1.82 | 47.23 | 25.35 | 5.15 |
| | Unsecured Loan | - | 24.00 | 24.00 | 24.00 |
| 2 | Khursheed Alam | | | | |
| | Remuneration Payable | 2.52 | 6.83 | 7.07 | 0.75 |
| | Unsecured Loan | - | - | 1.35 | - |
| 3 | Shakir Khan | | | | |
| | Remuneration Payable | 0.47 | 6.70 | 6.08 | 1.40 |
| | Unsecured Loan | - | - | 0.50 | - |
| 4 | Shama Sultana | | | | |
| | Salary Payable | - | 1.48 | 6.94 | - |
| | Unsecured Loan | - | - | 0.55 | - |
| 5 | Anisa Bano | | | | |
| | Unsecured Loan | 9.00 | 9.00 | 9.00 | 9.00 |
| 6 | Waheed Nizami | | | | |
| | Unsecured Loan | 9.00 | 9.00 | 9.00 | 11.00 |
| 7 | Troupe Technologies Private Limited | | | | |
| | Unsecured Loan | - | - | - | 35.00 |
| | Debtors/Creditors | - | - | - | 68.00 |
| | Purchase Consideration | - | - | 18.49 | - |
| 8 | Sony Cable | | | | |
| | Unsecured Loan | - | - | 0.50 | 0.50 |
| 9 | WJT Industries | | | | |
| | Unsecured Loan | - | - | 1.50 | 1.50 |
| 10 | WJT Trading Company | | | | |
| | Unsecured Loan | - | - | - | - |

ANNEXURE 36
STATEMENT OF TAX SHELTER

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | | As at | As at | | |
|-------------|--|---------------|---------------|---------------|----------------|
| | | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| A | Profit before taxes as restated | 134.47 | 54.32 | 28.48 | 50.84 |
| | - Taxable at normal Rate | 134.47 | 54.32 | 28.48 | 50.84 |
| | - Taxable at special Rate | | - | - | - |
| B | Normal Tax Rate Applicable % | 0.25 | 0.25 | 0.25 | 0.25 |
| | Special Tax Rate Applicable % | 0.16 | 0.16 | 0.16 | 0.16 |
| C | Tax Impact (A*B) | 33.84 | 13.67 | 7.17 | 12.80 |
| | Adjustments: | | | | |
| D | Permanent Differences | | | | |
| | Disallowance under section 37 | - | 0.90 | 0.46 | 0.10 |
| | Disallowance under section 36 | - | 2.91 | 1.53 | 0.90 |
| | Disallowance under section 40 | 0.70 | 0.41 | 2.54 | 0.90 |
| | Allowance Under Section 80G | - | - | - | - |
| | Mismatch in Interest Income | - | (1.36) | - | - |
| | Mismatch in Profit/Loss on Fixed Assets | - | - | (2.56) | - |
| | Mismatch in Expenses | - | - | 0.35 | - |
| | Mismatch in Gratuity Expense | - | 4.60 | 2.06 | 2.06 |
| | Total Permanent Differences | 0.70 | 7.47 | 4.38 | 3.95 |
| E | Timing Difference | | | | |
| | Difference in Depreciation | (2.03) | (1.14) | (2.57) | (9.20) |
| | Disallowance/(Allowance) Under Section 43B | - | - | - | - |
| | Total Timing Differences | (2.03) | (1.14) | (2.57) | (9.20) |
| | Unabsorbed Loss/(Carried Forward Loss Set off) | - | - | - | (18.86) |
| F | Net Adjustment (F) = (D+E) | (1.34) | 6.33 | 1.81 | (24.11) |
| G | Tax Expenses/ (Saving) thereon (F*B) | (0.34) | 1.59 | 0.46 | (6.07) |
| H | Tax Liability, After Considering the effect of Adjustment (C+G) | 33.51 | 15.26 | 7.62 | 6.73 |
| I | Deferred Tax Asset/(Liability) | 0.51 | (0.29) | (0.65) | (2.32) |
| J | Total Tax expenses (H+I) | 34.02 | 14.98 | 6.98 | 4.41 |

Notes:

Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax return respective years stated above.

2. The figures for the period ended August 31, 2022 are based on the provisional computation of Total Income prepared by the Company.

Profit and Loss account. Provision for Income Tax given in Annexure 2 is based on the Income Tax Return/Audited Financial Statement only.

4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures 4, 1, 2 and 3.

5. As observed by us during the Audit, Settlement of the Payable Statutory dues has been made by the company partly through input credit & book adjustment entries as well.

ANNEXURE 37
STATEMENT OF CAPITALISATION

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | Pre Issue | Post Issue |
|--|-----------------|------------|
| | 31-Aug-22 | |
| Debt | | [.] |
| Short Term Debt | 773.61 | |
| Long Term Debt | 307.13 | |
| Total Debt | 1,080.74 | |
| Shareholders' Fund (Equity) | | |
| Share Capital | 517.27 | |
| Reserves & Surplus | 85.61 | |
| Less: Miscellaneous Expenses not w/off | - | |
| Total Shareholders' Fund (Equity) | 602.88 | |
| Long Term Debt/Equity | 0.51 | |
| Total Debt/Equity | 1.79 | |

Notes:

1. Short term Debts represents the debts which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at

ANNEXURE 38
CONTINGENT LIABILITIES & COMMITMENTS

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|-----------|-----------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Estimated Amount of contracts remaining to be executed on capital account | - | - | - | - |
| Contingencies: | - | - | - | - |
| Income Tax Demand AY 2021-2022 | 0.09 | 0.09 | 0.09 | - |
| TDS Outstanding Demand | 4.70 | 4.69 | 0.98 | 0.03 |
| GST Outstanding Demand | 12.00 | 12.00 | 12.00 | 12.00 |

ANNEXURE 39
SEGMENT REPORTING
(i) Business Segment

Based on the guiding principles given in Accounting Standard 17 (AS - 17) on Segment Reporting issued by ICAI, the Company has only one reportable Business Segment, which is manufacturing of Electrical Machinery and Apparatus. Accordingly, the figures appearing in these financial statements relate to the Company's single Business Segment.

(ii) Geographical Segment

The Company activities / operations are confined to India and as such there is only one geographical segment. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical segment.

ANNEXURE 40
CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximizes shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the period ended August 31, 2022 and year ended March 31, 2022, March 31, 2021 and March 31, 2020. The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

The Company's adjusted net debt to equity ratio is as follows:

| Particulars | For the period ended 31-Aug-22 | For the year ended | | |
|---|--------------------------------------|--------------------|---------------|---------------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| | Amount | Amount | Amount | Amount |
| Borrowings | 1,080.74 | 1,113.79 | 1,412.38 | 400.93 |
| Less: cash and cash equivalents | 35.56 | 25.32 | 36.69 | 6.11 |
| Adjusted net debt | 1,045.18 | 1,088.47 | 1,375.69 | 394.82 |
| Total Equity | 602.88 | 502.43 | 241.77 | 293.40 |
| Adjusted net debt to adjusted equity ratio | 1.73 | 2.17 | 5.69 | 1.35 |

ANNEXURE 41
EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in these financial statements.

ANNEXURE 42**STATEMENT OF UNHEDGED FOREIGN CURRENCY EXPOSURE**

Following is the foreign currency exposure at the end of respective years, the same has not been hedged by the company -

(Amount in Lakhs, figures in INR)

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|-----------|-----------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| <u>Amount Receivable in Foreign Currency</u> | | | | |
| Export Debtors | - | - | - | - |
| Advance to Supplier | - | - | 38.99 | - |
| Total | - | - | 38.99 | - |
| <u>Amount Payable in Foreign Currency</u> | | | | |
| Import Creditors | - | - | 21.39 | - |
| Advance from Customers | 43.28 | 43.28 | 43.78 | 43.78 |
| Total | 43.28 | 43.28 | 65.17 | 43.78 |

ANNEXURE 43**TRANSACTIONS IN FOREIGN CURRENCY**

(Amount in Lakhs, figures in INR)

| Particulars | Currency | For the period ended 31-Aug-22 | For the year ended | | |
|---|----------|--------------------------------------|--------------------|-----------|-----------|
| | | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| <u>Expense in Foreign Currency</u> | | | | | |
| Purchases | USD | 2.06 | 76.17 | - | 3.02 |
| Expenses | USD | - | 0.47 | - | - |
| <u>Income in Foreign Currency</u> | | | | | |
| Sales | USD | - | 0.50 | - | - |

ANNEXURE 44**COVID 19 NOTE**

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on 11 March 2020. On 24 March 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the period ended 31 August 2022 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments are required to be made to the financial statements.

ANNEXURE 45
EMPLOYEE BENEFITS

I. Defined contribution plans

The Company has classified the various benefits provided to employees as under:

- Employee State Insurance Fund
- Employee Provident Fund

The expense recognised during the period towards defined contribution plan -

| Particulars | For the period ended 31-Aug-22 | (Amount in Lakhs, Unless Otherwise Stated) | | |
|--|-----------------------------------|--|-----------|-----------|
| | | For the year ended | | |
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Employers Contribution to Employee State Insurance | 0.91 | 2.35 | 0.97 | 1.50 |
| Employers Contribution to Employee Provident Fund | 6.35 | 15.87 | 6.90 | 5.78 |

II. Defined benefit plans

Gratuity

The Company should provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of INR 20,00,000/-.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

| Defined benefit plans | For the period ended 31-Aug-22 Gratuity (Unfunded) | (Amount in Lakhs, Unless Otherwise Stated) | | |
|---|---|--|-------------------------------------|-------------------------------------|
| | | For the year ended | | |
| | | 31-Mar-22 Gratuity (Unfunded) | 31-Mar-21 Gratuity (Unfunded) | 31-Mar-20 Gratuity (Unfunded) |
| I Expenses recognised in statement of profit and loss during the year: | | | | |
| Current service cost | 1.40 | 3.77 | 1.86 | 2.06 |
| Past service cost | - | - | - | - |
| Expected return on plan assets | - | - | - | - |
| Net interest cost / (income) on the net defined benefit liability / (asset) | 0.26 | 0.30 | 0.15 | - |
| Net actuarial loss/ (gain) | (0.97) | 0.54 | 0.05 | - |
| Loss (gain) on curtailments | - | - | - | - |
| Total expenses included in Employee benefit expenses | 0.70 | 4.60 | 2.06 | 2.06 |
| II Net asset /(liability) recognised as at balance sheet date: | | | | |
| Present value of defined benefit obligation | 9.41 | 8.72 | 4.11 | 2.06 |
| Fair value of plan assets | - | - | - | - |
| Funded status [surplus/(deficit)] | (9.41) | (8.72) | (4.11) | (2.06) |
| III Movements in present value of defined benefit obligation | | | | |
| Present value of defined benefit obligation at the beginning of the year | 8.72 | 4.11 | 2.06 | - |
| Current service cost | 1.40 | 3.77 | 1.86 | 2.06 |
| Past service cost | - | - | - | - |
| Interest cost | 0.26 | 0.30 | 0.15 | - |
| Actuarial (gains) / loss | (0.97) | 0.54 | 0.05 | - |
| Benefits paid | - | - | - | - |
| Present value of defined benefit obligation at the end of the year | 9.41 | 8.72 | 4.11 | 2.06 |
| IV Movements in fair value of the plan assets | | | | |
| Opening fair value of plan assets | - | - | - | - |
| Expected returns on plan assets | - | - | - | - |
| Expected returns on plan assets excluding Interest income | - | - | - | - |
| Actuarial (gains) / loss on plan assets | - | - | - | - |
| Contribution from employer | - | - | - | - |
| Benefits paid | - | - | - | - |
| Closing fair value of the plan asset | - | - | - | - |
| Classification | | | | |
| Current liability | 0.18 | 0.03 | 0.01 | 0.01 |
| Non-current liability | 9.23 | 8.69 | 4.10 | 2.05 |
| Best estimate for contribution during next Period | 1.71 | 4.53 | 2.44 | 1.73 |

V Sensitivity analysis method

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

| Particulars | For the period ended 31-Aug-22 | For the year ended 31 March 2022 | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|--------------------------------------|--|--|--|
| The results of sensitivity analysis are given below: | | | | |
| Increase / (decrease) on present value of defined benefit obligation at the end of the year | | | | |
| (i) +1% increase in discount rate | 1.00 | 0.94 | 0.45 | 0.22 |
| (ii) -1% decrease in discount rate | (1.20) | (1.15) | (0.55) | (0.27) |
| (iii) +1% increase in rate of salary increase | (1.22) | (1.16) | (0.56) | (0.27) |
| (iv) -1% decrease in rate of salary increase | 1.03 | 0.97 | 0.46 | (0.22) |
| (v) +1% increase in rate of withdrawal rate increase | (0.14) | (0.08) | (0.02) | 0.00 |
| (vi) +1% decrease in rate of withdrawal rate | 0.19 | 0.13 | 0.04 | 0.01 |

VII Actuarial assumptions:

| | As at 31-Aug-22 | 31-Mar-22 | As at 31-Mar-21 | 31-Mar-20 |
|----------------------------------|--------------------|--------------|--------------------|--------------|
| Expected Return on Plan Assets | NA | NA | NA | NA |
| 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 During Employment | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 | IALM 2012-14 |
| Retirement age | 60 | 60 | 60 | 60 |

Notes:

- The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.
- The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ANNEXURE 46

FINANCIAL RISK MANAGEMENT

The Company has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Company. Together they help in achieving the business goals and objectives consistent with the Company's strategies to prevent inconsistencies and gaps between its policies and practices. The Board of Directors/ committees reviews the adequacy and effectiveness of the risk management policy and internal control system. The Company's financial risk management is an integral part of how to plan and execute its business strategies.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk and
- Market risk

(A) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

(i) Trade and Other Receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the company's exposure to credit risk by age of the outstanding from various customers is as follows:

Trade Receivable

| Particulars | (Amount in Lakhs) | | | |
|------------------------------------|-----------------------------------|--------------------|---------------|---------------|
| | For the period ended 31-Aug-22 | For the year ended | | |
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Unsecured | | | | |
| -Considered good | 441.53 | 676.70 | 884.79 | 521.61 |
| -Considered doubtful | - | - | - | - |
| Gross Trade Receivables | 441.53 | 676.70 | 884.79 | 521.61 |
| Less: Provision for Doubtful debts | - | - | - | - |
| Net Trade Receivables | 441.53 | 676.70 | 884.79 | 521.61 |

(ii) Cash and bank balances

The Company held cash and cash equivalent and other bank balance of INR 38.04 Lacs at August 31, 2022, March 31, 2022: INR 27.07 Lacs, March 31, 2021: INR 37.84 Lacs and March 31, 2020: INR 6.11 Lacs). The same are held with bank and financial institution counterparties with good credit rating. Also, Company invests its short term surplus funds in bank fixed deposit which carry no market risks for short duration, therefore does not expose the Company to credit risk.

(B) Market Risk

Market risk is the risk that changes in market prices – such as interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company's exposure to, and management of, these risks is explained below.

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a receivable/payable in foreign currency will fluctuate due to changes in foreign exchange rates. The company is engaged in export/import of its products and hence the company is materially exposed to Foreign Currency Risk, details of the same is as follows :

Notes:

| | | (Amount in Lakhs, figures in INR) | | | |
|--|----------|-----------------------------------|-----------|-----------|-----------|
| Particulars | Currency | As at 31-Aug-22 | As at | | |
| | | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| <u>Amount Receivable in Foreign Currency</u> | | | | | |
| Export Debtors | | - | - | - | - |
| Advance to Supplier | | - | - | 38.99 | - |
| Total | | - | - | 38.99 | - |
| <u>Amount Payable in Foreign Currency</u> | | | | | |
| Import Creditors | | - | - | 21.39 | - |
| Advance from Customers | | 43.28 | 43.28 | 43.78 | 43.78 |
| Total | | 43.28 | 43.28 | 65.17 | 43.78 |
| Net Exposure | | (43.28) | (43.28) | (26.17) | (43.78) |

Sensitivity:

A change of 100 basis points in the rate of currency would have following impact on profit after tax and equity -

| Particulars | As at | As at | | |
|---|-----------|-----------|-----------|-----------|
| | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Price of USD – increase by 100 basis points * | (0.32) | (0.32) | (0.20) | (0.33) |
| Price of USD – decrease by 100 basis points * | 0.32 | 0.32 | 0.20 | 0.33 |

* Holding all other variables constant

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

| Particulars | (Amount in Lakhs, Unless Otherwise Stated) | | | |
|--------------------------|--|--------------------|-----------|-----------|
| | For the period ended | For the year ended | | |
| | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Variable rate borrowings | 1,062.74 | 1,071.79 | 1,264.92 | 314.43 |
| Fixed rate borrowings | 18.00 | 42.00 | 147.45 | 86.50 |

Sensitivity:

A change of 100 basis points in interest rates would have following impact on profit after tax and equity -

| Particulars | For the period ended | For the year ended | | |
|---|----------------------|--------------------|-----------|-----------|
| | 31-Aug-22 | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Interest rates – increase by 100 basis points * | 7.95 | 8.02 | 9.47 | 2.35 |
| Interest rates – decrease by 100 basis points * | (7.95) | (8.02) | (9.47) | (2.35) |

* Holding all other variables constant

ANNEXURE 47
RATIO ANALYSIS

| Particulars | Numerator | Denominator | 31-August-2022 | 31-Mar-2022 | Variance % (Mar-22-Aug-22) | Reason for Major Deviation (Mar- 22-Aug-22) |
|---|---|------------------------------|----------------|-------------|---|---|
| Current Ratio (no. of times) | Current Assets | Current Liabilities | 1.32 | 1.24 | Figures are not annualized therefore we are unable to determine the reasons for such deviations | |
| Return on Equity Ratio (%) | Net Profits after taxes | Average Shareholder's Equity | 0.18 | 0.10 | | |
| Debt-Equity Ratio | Total Borrowings | Shareholder's Equity | 1.79 | 2.22 | | |
| Debt Service Coverage Ratio | Earning before interest, depreciation and taxes | Debt Service | 4.07 | 2.04 | | |
| Trade Receivables turnover ratio (no. of times) | Net Credit Sales | Average trade receivables | 2.78 | 3.80 | | |
| Trade payables turnover ratio (no. of times) | Net Credit Purchases | Average trade payables | 0.10 | 0.04 | | |
| Inventory Turnover Ratio | Revenue from Operations | Average Inventory | 1.26 | 2.23 | | |
| Net capital turnover ratio (no. of times) | Net Sales | Working Capital | 3.59 | 7.57 | | |
| Net profit ratio (%) | Net Profits after taxes | Net Sales | 0.06 | 0.01 | | |
| Return on Capital employed (%) | Earning before interest and taxes | Capital Employed | 0.10 | 0.12 | | |

| Particulars | Numerator | Denominator | 31-Mar-2022 | 31-Mar-2021 | Variance % (Mar-21-Mar-22) | Reason for Major Deviation (Mar-21-Mar-22) |
|---|---|------------------------------|-------------|-------------|-------------------------------|--|
| Current Ratio (no. of times) | Current Assets | Current Liabilities | 1.24 | 1.26 | -1.63% | NA |
| Return on Equity Ratio (%) | Net Profits after taxes | Average Shareholder's Equity | 0.10 | 0.08 | 37.97% | Increase in Net profit with simultaneous increase in shareholder's equity caused the ratio to rise. |
| Debt-Equity Ratio | Total Borrowings | Shareholder's Equity | 2.22 | 5.84 | -62.05% | Due to repayment of borrowings with simultaneous increase in shareholder's equity caused the ratio to decline. |
| Debt Service Coverage Ratio | Earning before interest, depreciation and taxes | Debt Service | 2.04 | 1.72 | 18.49% | z |
| Trade Receivables turnover ratio (no. of times) | Net Credit Sales | Average trade receivables | 3.80 | 3.70 | 2.69% | NA |
| Trade payables turnover ratio (no. of times) | Net Credit Purchases | Average trade payables | 0.04 | 0.03 | 21.37% | NA |
| Inventory Turnover Ratio | Revenue from | Average Inventory | 2.23 | 2.49 | -10.54% | NA |
| Net capital turnover ratio (no. of times) | Net Sales | Working Capital | 7.57 | 4.88 | 55.11% | Decrease in working capital caused the ratio to increase. |
| Net profit ratio (%) | Net Profits after taxes | Net Sales | 0.01 | 0.01 | 68.28% | Rise in net profits with simultaneous increase in sales caused the ratio to increase. |
| Return on Capital employed (%) | Earning before interest and taxes | Capital Employed | 0.12 | 0.07 | 68.21% | Rise in EBIT with simultaneous increase in sales caused the ratio to increase. |

| Particulars | Numerator | Denominator | 31-Mar-2021 | 31-Mar-2020 | Variance % (Mar-20-Mar-21) | Reason for Major Deviation (Mar-20-Mar-21) |
|---|---|------------------------------|-------------|-------------|-------------------------------|--|
| Current Ratio (no. of times) | Current Assets | Current Liabilities | 1.26 | 1.20 | 5.58% | NA |
| Return on Equity Ratio (%) | Net Profits after taxes | Average Shareholder's Equity | 0.08 | 0.15 | -49.43% | Decrease in Net profit with simultaneous increase in shareholder's equity caused the ratio to decline. |
| Debt-Equity Ratio | Total Borrowings | Shareholder's Equity | 5.84 | 1.37 | 327.49% | Increase in total borrowings cause the ratio to have drastic increase. |
| Debt Service Coverage Ratio | Earning before interest, depreciation and taxes | Debt Service | 1.72 | 3.55 | -51.49% | Fall in EBITDA with simultaneous increase in Debt service caused the ratio to decline. |
| Trade Receivables turnover ratio (no. of times) | Net Credit Sales | Average trade receivables | 3.70 | 5.85 | -36.84% | Increase in average trade receivables caused the ratio to decline. |
| Trade payables turnover ratio (no. of times) | Net Credit Purchases | Average trade payables | 0.03 | 0.36 | -90.43% | Increase in average trade payables caused the ratio to decline. |
| Inventory Turnover Ratio | Revenue from Operations | Average Inventory | 2.49 | 5.04 | -50.56% | Increase in average inventory caused the ratio to decline. |
| Net capital turnover ratio (no. of times) | Net Sales | Working Capital | 4.88 | 9.45 | -48.39% | Increase in working capital caused the ratio to decline. |
| Net profit ratio (%) | Net Profits after taxes | Net Sales | 0.01 | 0.02 | -59.80% | Fall in net profits with simultaneous increase in sales caused the ratio to decline. |
| Return on Capital employed (%) | Earning before interest and taxes | Capital Employed | 0.07 | 0.10 | -30.93% | Fall in EBIT with simultaneous increase in sales caused the ratio to decline. |

ANNEXURE 48
OTHER RELEVANT DISCLOSURES

Additional regulatory information required by Schedule III of Companies Act, 2013:

- A. Balance of Debtors & Creditors & Loans & advances Taken & giving are subject to confirmation and subject to consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received and paid from/to the parties is shown as advance from customer and advance to suppliers.
- B. The company has no transactions, which are not recorded in the books of accounts and which are surrendered or disclosed as income during the year in the tax assessment or in search or survey or under any other relevant provision of the Income Tax Act, 1961.
- C. The Company has not traded or invested in crypto currency or virtual currency during the period ended August 2022 and year ended March 2022, March 2021 and March 2020.
- D. The Company do not had any transaction during the period ended August 2022 and year ended March 2022, March 2021 and March 2020 with the companies which are struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- E. The company has not been declared as willful defaulter by any bank or from any other lender during the period ended August 2022 and year ended March 2022, March 2021 and March 2020.
- F. The company has registered all the charges which are required to be registered under the terms of the loan and liabilities and submitted Documents with ROC within the period as required by Companies Act, 2013.
- G. As per the information & detail available on records and the disclosure given by the management, the company has complied with the number of layers prescribed under clause (87) of section 2 of the companies act read with the Companies (Restriction on number of layers) Rules 2017.
- H. As per the Information & details available on records and the disclosure given by the management, the company has not advanced, loaned or invested to any other person or entity or foreign entitles with the understanding that the intermediary shall directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company or provided any guarantee, security or like to or on behalf of the company. Further the company has not received any funds from any person, entity including the foreign entity with the understanding that the company shall directly or indirectly lend, invest or guarantee, security or like manner on behalf of the funding party.
- I. Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- J. The said provisions of Corporate Social Responsibility under section 135 of Companies Act, 2013 are not applicable to the company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Financial Statements as Restated which is included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Financial Statements as Restated, as restated for the years ended March 31, 2022, 2021 and 2020 including the related notes and reports, included in this Draft Red Herring Prospectus is prepared in accordance with requirements of the Companies Act, 2013 and restated in accordance with the SEBI (ICDR) Regulations, 2018, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Financial Statements, as restated have been derived from our audited statutory financial statements. Accordingly, the degree to which our Financial Statements as Restated will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Indian GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these Forward Looking Statements as a result of certain factors such as those described under chapters titled "Risk Factors" and "Forward Looking Statements" beginning on pages 26 and 21 respectively of this Draft Red Herring Prospectus.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12 months ended March 31 of that year.

Our Company was originally incorporated on March 22, 2017 as a Private Limited Company as "Comrade Appliances Private Limited" under the provisions of the Companies Act, 2013 with the Registrar of Companies, Mumbai. Subsequently, pursuant to a Special Resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on November 10, 2022 our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to 'Comrade Appliances Limited' and a Fresh Certificate of Incorporation consequent to Conversion was issued on December 13, 2022 by the Registrar of Companies, Mumbai. The Corporate Identification Number of our Company is U74999MH2017PLC292817.

Our Core business is as follows:

Our Company is engaged in the process of manufacturing an extensive array of Air Coolers and Electric Geysers. Our Company is Original Equipment Manufacturers (OEMs) of Air Coolers and Electric Geysers in India. Designed by the use of quality resources, our product range is appreciated by our customers owing to their lightweight, easy to use, customized size, reasonable price and long-term durability.

We work with extreme enthusiasm and assure to accomplish great customer satisfaction by offering a high-quality range of Air coolers and Electric Geysers as per their specific needs. In order to convene the accurate needs of clients in the most flourishing way, we offer our products with standard and customized specifications. Backed by a team of experienced staff, we have been able to meet the precise needs of our clients. Owing to our ethical business policies, high-quality products range and reasonable prices, we have increased the number of our satisfied clients.

Our Company has four departments which includes 1) Production Department, 2) Moulding Department, 3) Administration Department 4) Logistics Department.

As on date of this Draft Red Herring Prospectus, our company have three registered designs for our products and two trademarks. We strongly believe in innovation and technology. We have been proactive in introducing the latest technologies and successfully delivering high quality products to all of our clients. We are committed to surpassing customer expectations and achieving customer loyalty with our excellent product quality. We strictly adhere to professional integrity and ethical practices, aiming for 100% customer satisfaction. We are always committed to fulfilling the requirements of our clientele according to their needs. In order to meet these requirements, we have adapted the best measures in the industry. We believe that extensive research, training and continuous upgrading of technology maintains the standards and quality of our products. We are providing products that ensure customer satisfaction. We have long-term and stable relationships developed over the years with our key customers through the quality we provide.

Our Company is promoted by Mr. Khursheed Alam and Mr. Mehboob Alam. Under the headship of our mentor Mr. Khursheed Alam, our organization is moving ahead in this cutting-edge competition. He, with his knowledge and expertise, has enabled us to cater the demands of customers. He is the guiding force behind all the strategic decisions of our Company and has been an anchor to our company since incorporation. He has completed Master in Business Administrations from National Institute of Management. In addition to our individual Promoters, our senior management

team includes qualified, experienced and skilled professionals who have experience across various sectors. The stability of our management team and their combined industry experience will enable us to continue to take advantage of future market opportunities and expand into newer markets. Our senior management team is able to leverage our market position with their collective experience and knowledge in the process of manufacturing of Air Coolers and Electric Geysers, to execute our business strategies and drive our future growth. For further information on our Promoters and on their experience, please refer to the chapter titled **“Our Promoters”** beginning on page no. 142 of this Draft Red Herring Prospectus.

OUR COMPETITIVE STRENGTHS

We believe that the following are our primary competitive strengths:

Strategic Location of Manufacturing Unit

Our Company has setup its manufacturing unit in a very strategic area of Maharashtra. The basic raw material required for our manufacturing facility is plastic granules and it is easily available at the industrial areas. These manufacturing facilities are in Maharashtra and are near to various industrial areas. Our company source raw materials from the Industrials area and the consumption of our finish products are also done in the same industrial area. Our company has selected the contract manufacturing facilities and suppliers as there are strategically located. We believe the strategic location of our plant has helped us in creating synergies as well as achieving economies of scale and operational efficiencies.

Quality Assurance

Our Company is dedicated towards quality of our products, processes and input raw material. Our Company has been accredited with “ISO 9001:2015” Certification for Quality Management System” We adhere to quality standards as prescribed by our customers to meet the desired requirement. Delivering Quality products on time is one of our prime objectives. We dedicate resources for quality assurance to ensure that quality norms are continually met. We also have quality control checks before any consignment of Raw material is accepted since it has a direct impact on the quality of Finished Product. The ability to consistently deliver high-quality products to customers is critical to our business. Quality control is ensured by strict adherence to work protocols, from the procurement of raw materials and through the various stages of production.

Strong professional and execution team allows the Company to develop a strong business

We are assisted by a highly dedicated and efficient team of professionals, well versed with the technicalities of their areas of specialization, they are capable to meet the exact demands of our clients. They hold immense knowledge about our products. Our greatest strength lies in our human resource that comprises a team of highly dedicated Professionals driven by a single-minded passion for achieving excellence in their field of their expertise.

Existing Supplier Relationship

Our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. Our company enjoys excellent relationship with our suppliers.

Progressive Employer

Comrade is continuously focused on creating an engaging atmosphere for our Employees to learn, contribute and grow. We nurture a sense of equality among our team members and offer them ample opportunities to pursue their passion and grow. There is an active fun team that creates opportunities for enjoyment even while working. We believe in timely compliance of all statutory payments especially related to employees. Our company ensures a safe environment, dignity and respect for all our employees irrespective of gender, religion, caste.

OUR BUSINESS STRATEGY

Focus on Increase in Volume of Sales

As a part of our growth strategy our focus is on increasing sales volume through expansion, diversification and spread in geographical outreach. We believe that our growth in local market can fetch us new business expansion and opportunities. The company is pursuing lot of opportunities to increase its production capacity. With this increased production capacity, we shall be able to grow our client base geographically also.

Continue to strive for cost efficiency

We aim to continue to maintain our focus on cost management, including our manufacturing capabilities to deliver growth as well as to achieve economies of scale. We will continue to seek to manage our supply chain costs through optimal inventory levels, economic orders and other measures. Economies of scale will also enable us to continuously improve our operational efficiencies. Further, we intend to leverage technology for effective utilization of our machinery which would enable effective monitoring of the machine status and study of various shop floor patterns thereby allowing us to address the bottlenecks and to improve our output efficiency. We also wish to target economies of scale to gain increased negotiating power on procurement.

Focus on consistently meeting quality standards

We maintain a strong internal quality control checks in the key functional and operational areas, including various policies and procedures which ensure the orderly and efficient execution of work orders, including adherence to management's policies, safeguarding of assets, prevention and detection of fraud and error, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. We will continue to strengthen the quality control processes for the products which we offer. Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and maintaining long term relationships with customers.

Increase Brand awareness

We believe that it's critical for success to have strong brand recognition and recall value. We intend to enhance the brand recognition of our services through our presence in major cities. We also intend to focus on use of targeted marketing initiatives such as digital and print advertisements, as well as marketing through traditional channels such as outdoor advertising. Our marketing and advertising initiatives shall be directed to increase brand awareness, acquire new customers, drive customer traffic across our retail channels and strengthen our brand recall value.

Strategic Acquisition and Alliance Opportunities

We intend to explore and evaluate strategic acquisition and technology alliance opportunities to gain access to new clients and sectors, add new technology capabilities to our offerings that drive synergies with our existing business ventures.

Significant developments subsequent to the last financial year

In the opinion of the Board of Directors of our Company, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, there have not arisen any circumstances that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the previous twelve months except:

- Our company increased its's Authorised equity share capital from ₹ 6,00,00,000/- to ₹ 8,50,00,000/- vide resolution passed in its members meeting dated December 20, 2022.
- The Board of Directors have approved to raise funds through initial public offering in the Board meeting held on December 15, 2022.
- The members of our Company approved proposal of Board of Directors to raise funds through initial public offering in the extra ordinary general meeting held on December 20, 2022.
- Our Company was converted from a private limited company to public limited company and the name of our Company was changed to "Comrade Appliances Limited" and a fresh certificate of incorporation consequent to conversion was issued on December 13, 2022 by the Registrar of Companies, Mumbai bearing Corporate Identification Number U74999MH2017PLC292817.
- The Company issued 78,057 Equity Share Capital of Rs.10/- each at an issue price of Rs.30/- on January 20, 2023 each vide resolution passed by Board of Directors in its meeting held on January 20, 2023 pursuant to conversion of loan.

Factors affecting our results of operations

Our company's future results of operations could be affected potentially by the following factors:

- Experienced Management team and skilled manpower
- Direct Relationship with Suppliers
- Quality Assurance and Standards
- Established relationship with Subcontractors

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS

A. BACKGROUND

Comrade Appliances Limited (formerly known as Comrade Appliances Private Limited) is a limited company domiciled in India and incorporated under the provisions of the Companies Act 2013, having Company Incorporation No. (CIN) U74999MH2017PLC292817. The Company is primarily engaged in Manufacture of Electrical Machinery and apparatus.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Statement of Assets and Liabilities of the Company for the stub period ended on August 31, 2022 and Financial years ended on March 31, 2022, March 31, 2021 and March 31, 2020, and the Restated Statement of Profit and Loss and Restated Statements of Cash Flows for the stub period ended on August 31, 2022 and for the financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020 and the annexure thereto (collectively, the “**Restated Financial Statements**” or “**Restated Summary Statements**”) have been extracted by the management from the Audited Financial Statements of the Company for the stub period ended on August 31, 2022 and for the financial year ended on March 31, 2022, March 31, 2021 and March 31, 2020.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2014 as per section 133 of the Companies Act, 2013.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (‘GAAP’) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

3. PROPERTY, PLANT & EQUIPMENT

Property, Plant & Equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

4. DEPRECIATION

Depreciation is provided on a written down value basis over the useful lives of assets, which is as stated in Schedule II of the Companies Act 2013 or based on technical estimation made by the Company.

Depreciation and amortization methods, useful lives and residual values are reviewed at each reporting date.

5. BORROWING COSTS

Borrowing costs attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred. Capitalization of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalization of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Other borrowing costs are charged to statement of profit and loss as and when incurred.

6. IMPAIRMENT OF ASSETS

In accordance with AS 28 on 'Impairment of assets' as prescribed in the Companies (Accounting Standards) Rules, 2006, the Company assesses at each balance sheet date, whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognized whenever the carrying amount of an asset or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment loss is recognized in the statement of profit and loss or against revaluation surplus, where applicable. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is re-assessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciated historical cost.

7. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

8. INVENTORIES

Raw materials, stores and spares and trading goods are valued at lower of cost and net realizable value.

Work-in-Progress and finished goods are valued at the lower of cost and net realizable value. Cost includes direct materials and labour and a part of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost comprises of cost of Purchase & other costs incurred in bringing them to their respective present location and condition and is determined on First-in-First-Out (FIFO) basis.

9. CURRENT/NON-CURRENT CLASSIFICATIONS

The Schedule III to the Act requires assets and liabilities to be classified as either Current or Non-current. An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the balance sheet date; or
- d) It is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in, the entity's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the balance sheet date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

10. REVENUE RECOGNITION

- i) Revenue from sale of goods is recognizing when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from sale of goods is net of sales tax, trade discounts, rebates etc.
- ii) Service income is recognized as and when services are rendered in accordance with the terms of the specific contracts, net of all contractual deductions. Revenue is recognized net of all taxes and levies.
- iii) Interest income is recognized on a time proportion basis.
- iv) Export of goods is eligible for incentives from Government as per Import-Export policies declared by the Government from time to time. Company's export products are eligible for duty drawback. Rates for duty drawback vary according to products and destinations. The Company recognizes duty drawback amount on accrual basis for this Financial year, However, in respect of preceding years benefits are recognized on receipt basis.

11. FOREIGN CURRENCY TRANSACTIONS

Initial recognition

Foreign currency transactions are recorded in the reporting currency which is Indian Rupee, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

12. EMPLOYEE BENEFITS

Short Term Employee Benefits

The short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

The company has no policy of encashment and accumulation of leave. Therefore, no provision of leave Encashment is made.

Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.

Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The company has recognized the gratuity payable to the employees as defined benefit plans. The liability in respect of these benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

13. SEGMENT ACCOUNTING

(i) Business Segment

The Company operates in one Business Segment only and hence no separate information for business segment wise disclosure is required.

(ii) Geographical Segment

The Company operates in one Geographical Segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

14. ACCOUNTING FOR TAXES ON INCOME

Current Tax

Current tax is determined as the amount of tax payable under the provisions of Income Tax Act, 1961, in respect of taxable income for the year.

Deferred Tax

Deferred income taxes reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference of earlier year. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

15. CONTINGENT LIABILITIES AND PROVISIONS

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

16. EARNINGS PER SHARE:

Basic earnings per share are computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

17. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

18. COVID -19 IMPACT ASSESSMENT

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of various interruption, supply chain disruption, unavailability of personnel. On 24th March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 31st May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities.

In assessing the recoverability of Company's assets such as Trade receivable, Inventories, Loans, Advances and Other Current Assets the Company has considered internal and external information upto the date of approval of these financial results. The company has performed sensitivity analysis, on the assumptions used basis, the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets.

C. NOTES TO THE RESTATED FINANCIAL STATEMENTS**1. NON-ADJUSTMENT ITEMS:**

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

2. MATERIAL REGROUPING

Appropriate regrouping has been made in the restated summary statements of Assets and Liabilities Profits 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 requirements of the SEBI Regulations.

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee in lakhs. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.

3. MATERIAL ADJUSTMENTS IN RESTATED PROFIT & LOSS ACCOUNT

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|-----------|-----------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Net Profit Before Tax as per audited accounts but before adjustments for restated accounts: | 134.47 | 31.69 | 26.88 | 50.96 |
| Restatement adjustments: | | | | |
| (Short)/Excess provision of depreciation on PPE (Note-1) | | 25.88 | 1.44 | 1.94 |
| (Short)/Excess provision of gratuity (Note-2) | | (4.60) | (2.06) | (2.06) |
| Short/(Excess) profit recognised on sale of PPE (Note-3) | | - | 2.56 | - |

| | | | | |
|---|--------|-------|--------|-------|
| Short/(Excess) recognition of accrued interest on fixed deposits (Note-4) | | 1.36 | - | - |
| Revenue expenditure recorded as capital expenditure (Note-5) | | - | (0.35) | - |
| | | | | |
| Adjusted Profit before Tax | 134.47 | 54.32 | 28.47 | 50.84 |
| Net Profit before Tax as per Restated Accounts: | 134.47 | 54.32 | 28.48 | 50.84 |

Notes:

1. Excess provision of depreciation has been reversed from the respective years due to proper classification of assets and rates as per Companies Act, 2013
2. Provision of Gratuity has been made in consideration with actuarial report.
3. Recognition of profit on sale of PPE has been made as per Companies act, 2013.
4. Recognition of accrued interest has been made in the respective year.
5. Revenue expenditure wrongly capitalised, now reclassified.

4. MATERIAL ADJUSTMENTS IN RESTATED TOTAL EQUITY

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|--|--------------------|-----------|-----------|-----------|
| | | 31-Mar-22 | 31-Mar-21 | 31-Mar-20 |
| Total Equity (As per Audited Financial Statements) | 602.88 | 636.04 | 619.62 | 379.39 |
| Restatement adjustments: | | | | |
| (Short)/Excess provision of depreciation on PPE (Note-1) | | 18.51 | (7.37) | (8.82) |
| (Short)/Excess provision of gratuity (Note-2) | | (8.72) | (4.11) | (2.06) |
| Short/(Excess) profit recognised on sale of PPE (Note-3) | | 2.56 | 2.56 | - |
| Short/(Excess) recognition of accrued interest on fixed deposits (Note-4) | | 1.36 | - | - |
| Revenue expenditure recorded as capital expenditure (Note-5) | | (145.91) | (145.91) | (74.64) |
| (Short)/Excess provision of deferred tax (Note-6) | | (1.41) | (1.13) | (0.48) |
| Reclassification of Share Application Money pending allotment as per Revised Schedule III (Note-7) | | | (221.88) | |
| Adjusted Total Equity | 602.88 | 502.43 | 241.77 | 293.40 |
| Total equity as per Restated Statement of Assets and Liabilities | 602.88 | 502.43 | 241.77 | 293.40 |

Notes:

1. Excess provision of depreciation has been reversed from the respective years due to proper classification of assets and rates as per Companies Act, 2013
2. Provision of Gratuity has been made in consideration as per actuarial report.
3. Recognition of profit on sale of PPE has been made as per Companies act, 2013.
4. Proper recognition of accrued interest has been made in the respective years.
5. Revenue expenditure wrongly capitalised, now restated.
6. Deferred Tax provision has been made in pursuance of AS-22

5. MATERIAL ADJUSTMENTS IN RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in Lakhs, Unless Otherwise Stated)

| Particulars | As at 31-Aug-22 | As at | | |
|---|--------------------|-----------|-----------|-----------|
| | | 3/31/2022 | 3/31/2021 | 3/31/2020 |
| Property, Plant & Equipment (As per Audited Financial Statements) | 407.32 | 559.08 | 646.05 | 353.25 |
| Restatement adjustments: | | | | |
| (Short)/Excess provision of depreciation on PPE (Note-1) | | 18.51 | (7.37) | (8.82) |

| | | | | |
|---|--------|----------|----------|---------|
| Revenue expenditure recorded as capital expenditure (Note-2) | | (145.91) | (145.91) | (74.64) |
| Short/(Excess) profit recognised on sale of PPE (Note-3) | | 2.56 | 2.56 | - |
| Adjusted Property, Plant & Equipment | 407.32 | 434.24 | 495.33 | 269.80 |
| Property, Plant & Equipment (As per Restated Statement of Assets and Liabilities) | 407.32 | 434.24 | 495.33 | 269.80 |

Notes:

1. Excess provision of depreciation has been reversed from the respective years due to proper classification of assets as per Companies Act, 2013 and rates given thereunder.
2. Revenue expenditure wrongly capitalised, now restated.
3. Correct recognition of profit on sale of PPE has been made.

6. PAYABLE TO MICRO, SMALL AND MEDIUM ENTERPRISES

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

The company has not received the required information from any of the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as the year end together with interest paid/payable as required under the Act have not been made.

Discussion on Results of Operation

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the stub period ended on August 31, 2022 and financial years ended on March 31, 2022, 2021 and 2020.

Results of Our Standalone Operations

The following table sets forth select financial data from our financial statements as restated of profit and loss for the stub period ended August 31, 2022 and financial years ended on March 31, 2022, 2021 and 2020 the components of which are also expressed as a percentage of total revenue for such periods:

| Particulars | 31-08-2022 | % of total income | 31-03-2022 | % of total income | 31-03-2021 | % of total income | 31-03-2020 | % of total income |
|---|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| Revenue from Operations | 1,555.36 | 99.76% | 2,964.89 | 99.72% | 2,600.49 | 99.87% | 2,162.29 | 100.00% |
| Other income | 3.79 | 0.24% | 8.39 | 0.28% | 3.36 | 0.13% | - | 0.00% |
| Total Revenue (A) | 1,559.15 | 100.00% | 2,973.28 | 100.00% | 2,603.85 | 100.00% | 2,162.29 | 100.00% |
| Expenses: | | | | | | | | |
| Cost of Material Consumed | 934.39 | 59.93% | 2,039.31 | 68.59% | 2,271.65 | 87.24% | 1,825.67 | 84.43% |
| Purchases of Stock-in-trade | 54.98 | 3.53% | 31.73 | 1.07% | 25.72 | 0.99% | 65.22 | 3.02% |
| Changes in Inventories | 132.88 | 8.52% | 78.12 | 2.63% | -165.02 | -6.34% | -123.28 | -5.70% |
| Employee benefits expense | 86.49 | 5.55% | 206.24 | 6.94% | 125.10 | 4.80% | 107.04 | 4.95% |
| Other expenses | 126.18 | 8.09% | 315.89 | 10.62% | 151.88 | 5.83% | 158.65 | 7.34% |
| Total Expenses (B) | 1,334.93 | 85.62% | 2,671.29 | 89.84% | 2,409.33 | 92.53% | 2,033.30 | 94.03% |
| Earnings Before Interest, Taxes, Depreciation & Amortization (C=A-B) | 224.23 | 14.38% | 301.99 | 10.16% | 194.52 | 7.47% | 128.99 | 5.97% |
| Finance costs (D) | 55.05 | 3.53% | 148.16 | 4.98% | 113.08 | 4.34% | 36.37 | 1.68% |
| Depreciation and amortization expenses (E) | 34.70 | 2.23% | 99.51 | 3.35% | 52.97 | 2.03% | 41.78 | 1.93% |
| Profit before tax (F=C-D-E) | 134.47 | 8.62% | 54.32 | 1.83% | 28.48 | 1.09% | 50.84 | 2.35% |

| Tax Expenses | | | | | | | | |
|-------------------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| - Current Tax | 33.51 | 2.15% | 15.26 | 0.51% | 7.62 | 0.29% | 6.73 | 0.31% |
| - Deferred Tax | 0.51 | 0.03% | 0.29 | 0.02% | 0.65 | 0.02% | 2.32 | 0.11% |
| Tax Expense For The Year (G) | 34.02 | 2.18% | 15.55 | 0.52% | 8.27 | 0.32% | 9.04 | 0.42% |
| Profit after tax (H=F-G) | 100.45 | 6.44% | 38.77 | 1.30% | 20.21 | 0.78% | 41.80 | 1.93% |

Overview of Revenue and expenditure

Revenue and Expenditure

Total Revenue: Our total revenue comprises of revenue from operations and other income.

Revenue from operations: Our revenue from operations comprises of Sale of Products and rendering of services.

Other Income: Our Other income consists of, interest on Fixed Deposits, discount, profit on sale of fixed asset and other Income.

Expenses: Our expenses comprise of Cost of Material consumed, Purchase of stock-in-trade, Change in Inventories, Employee Benefit Expenses, Finance Cost, Depreciation and Other Expenses.

Cost of Material Consumed: Our Cost of Material consumed comprises of purchases, difference of opening stock and closing stock of raw material and direct expenses.

Purchase of Stock-in-trade: Purchase of Stock-in-trade comprises of purchases other than that of raw materials.

Changes in Inventory: Our Changes in Inventory comprises of difference between opening stock and closing stock of Stock-in-trade and finished goods.

Employee Benefit Expenses: Our employee benefit expense consists of Salaries & Bonus, Director's Remuneration, Gratuity, Other Employee Benefit Expenses and Contribution to Provident Fund & ESI.

Finance Cost: Our finance costs comprise of Interest paid to Related parties and Banks & Financial Institutions and Other Finance Charges.

Depreciation and amortisation expenses: Tangible assets are depreciated over periods corresponding to their estimated useful lives. Depreciation includes depreciation charged on tangible assets.

Other expenses: Other expenses includes Discount Allowed, Freight Charges, Insurance, Power & Fuel, Professional Fees, Rates & Taxes, Rent, Repairs to Machinery, Transportation & Courier Charges, Travelling & Conveyance and other expenses.

Provision for Tax: Income taxes are accounted for in accordance with Accounting Standard – 22 on “Accounting for Taxes on Income” (“AS-22”), prescribed under the Companies (Accounting Standards) Rules, 2006. Our Company provides for current tax, Short/(Excess) Provision of Earlier Year as well as deferred tax, as applicable.

Provision for current taxes is made at the current tax rates after taking into consideration the benefits available to our Company under the provisions of the I. T. Act.

Deferred tax arises from the timing differences between book profits and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods and is measured using the tax rates and laws applicable as of the date of the financial statements. Our Company provides for deferred tax asset / liability on such timing differences subject to prudent considerations in respect of deferred tax assets.

COMPARISON OF FY 2021-22 WITH FY2020-21

Income

Total Revenue: Our total revenue increased by ₹369.42 lakhs or 14.19% to ₹2,973.28Lakh for the financial year 2021-22 from ₹2,603.85 Lakh for the financial year 2020-21 due to the factors described below:

Revenue from operations

Our revenue from operations is ₹2,964.89 Lakhs for the financial year 2021-22 as compared to ₹2,600.49 Lakhs for the financial year 2020-21 representing an incline of 14.01% on account of increase in sales due to rapid recovery of businesses after the pandemic.

Other Income

Our Other Income is ₹8.39 Lakhs for the financial year 2021-22 as compared to ₹3.36 Lakhs for the financial year 2020-21 representing an increase of 149.70% on account of increase in Interest on Fixed Deposits, Other Income.

Expenses

Our total expenses excluding finance cost, depreciation and tax expenses is ₹2,671.29 Lakhs for the financial year 2021-22 as compared to ₹2,409.33 Lakhs for the financial year 2020-21 representing an increase of 10.87% due to the factors described below: -

Cost of Material consumed

Our *Cost of Material consumed* is ₹2,039.31 Lakhs for the financial year 2021-22 as compared to ₹2,271.65 Lakhs for the financial year 2020-21 representing a decrease of 10.23% due to reduction in purchase of raw material.

Purchase of Stock-in-trade

Our *Purchase of Stock-in-trade* is ₹31.73 Lakhs for the financial year 2021-22 as compared to ₹25.72 Lakhs for the financial year 2020-21 representing an increase of 23.35% due to increase in scale operations.

Changes in Inventories

Our changes in inventories is ₹78.12 Lakhs for the financial year 2021-22 which is 147.34% greater than the changes in inventories for the financial year 2020-21 of (₹165.02) Lakhs due to increase in our stock in trade required consequent upon increase in scale of operations.

Employee benefits expenses

Our employee benefit expenses are ₹206.24 Lakhs for the financial year 2021-22 as compared to ₹125.10 Lakhs for the financial year 2020-21 representing an increase of 64.86% due to increase in Salaries and Wages, Directors Remuneration, Staff Welfare Expenses, Contribution to Provident Fund & Others.

Finance costs

Our finance cost is ₹148.16 Lakhs for the financial year 2021-22 as compared to ₹113.08 Lakhs for the financial year 2020-21 representing an increase of 31.02% on account of increase in Interest on loan from banks and other financial institutions which is partly set off with decrease in Interest on Loan from related parties and other finance costs.

Depreciation and amortization expense

The depreciation increased by 87.88% to ₹99.51 Lakhs for the financial year 2021-22 from ₹52.97 Lakhs for the financial year 2020-21 due to wear and tear of assets.

Other expenses

Our other expenses increased by 107.98% to ₹315.89 Lakhs for the financial year 2021-22 from ₹151.88 Lakhs for the financial year 2020-21, which is 10.62% and 5.83% of the total revenue of respective years. The increase was mainly due to increase in discount given, Freight Charges, Insurance, Power & Fuel, Professional Fees, Rent, Repairs to Machinery, Travelling & Conveyance and other expenses which was partially set off against decrease in Rates & Taxes and Transportation & Courier Charges.

Profit before tax

Our profit before tax increased by 90.73% to ₹54.32 Lakhs for the financial year 2021-22 from ₹28.48 Lakhs for the financial year 2020-21. The increase was mainly due to the factors described above.

Tax expenses

Our tax expenses for the financial year 2021-22 amounted to ₹15.55 Lakhs as against tax expenses of ₹8.27 Lakhs for the financial year 2020-21. The net increase of ₹7.28 Lakhs is on account of increase in Current tax which partially set off with decrease in Deferred Tax Assets.

Profit After Tax

Our profit after tax increased by 91.82% to ₹38.77 Lakhs for the financial year 2021-22 from ₹20.21 Lakhs for the financial year 2020-21, reflecting a net increase of ₹18.56 Lakhs due to aforementioned reasons.

COMPARISON OF FY 2020-21 WITH FY2019-20***Income***

Total Revenue: Our total revenue increased by ₹441.57 lakhs or 20.42% lakh to ₹2,603.85 Lakh for the financial year 2020-21 from ₹2,162.29 Lakh for the financial year 2019-20 due to the factors described below:

Revenue from operations

Our revenue from operations is ₹2,600.49 Lakhs for the financial year 2020-21 as compared to ₹2,162.29 Lakhs for the financial year 2019-20 representing a growth of 20.27% on account of expansion of business.

Other Income

Our other income is ₹3.36 Lakhs for the financial year 2020-21, whereas there was no other income in financial year 2019-20.

Expenses

Our total expenses excluding finance cost, depreciation and tax expenses is ₹2,409.33 Lakhs for the financial year 2020-21 as compared to ₹2,033.30 Lakhs for the financial year 2019-20 representing an increase of 18.49% due to the factors described below: -

Cost of Material consumed

Our Cost of Material consumed is ₹2,271.65 Lakhs for the financial year 2020-21 as compared to ₹1,825.67 Lakhs for the financial year 2019-20 representing an increase of 24.43% due to increase in our scale of operations.

Purchase of Stock-in-trade

Our Purchase of Stock-in-trade is ₹25.72 Lakhs for the financial year 2020-21 as compared to ₹65.22 Lakhs for the financial year 2020-21 representing a decrease of 60.57% due to benefits of economies of scale.

Changes in Inventories

Our changes in inventories is (₹165.02) Lakhs for the financial year 2020-21 which is 33.86% greater than the changes in inventories for the financial year 2019-20 of (₹123.28) Lakhs.

Employee benefits expenses

Our employee benefit expenses are ₹125.10 Lakhs for the financial year 2020-21 as compared to ₹107.04 Lakhs for the financial year 2019-20 representing an increase of 16.87% due to increase in salaries & wages, Directors Remuneration, Contribution to Provident Fund which was partially set off with decrease in other employee benefit expenses.

Finance costs

Our finance cost is ₹113.08 Lakhs for the financial year 2020-21 as compared to ₹36.37 Lakhs for the financial year 2019-20 representing an increase of 210.90% on account of increase in Interest on Loan from banks and other financial institutions & Other Finance Cost.

Depreciation and amortization expense

The depreciation amounted to ₹52.97 Lakhs for the financial year 2020-21 compared to ₹41.78 Lakhs for the financial year 2019-20 due wear and tear of assets.

Other expenses

Our other expenses decreased by 4.27% to ₹151.88 Lakhs for the financial year 2020-21 from ₹158.65 Lakhs for the financial year 2019-20 which is 5.83% and 7.34% of the total revenue of respective years. The decrease was mainly due to decrease in Discount Allowed, Freight Charges, Repairs to Machinery, Transportation & Courier Charges, Travelling & Conveyance and other expenses which was partially set off against increase in Insurance, Power & Fuel, Professional Fees, Rates & Taxes and Rent.

Profit before tax

Our profit before tax decreased by 43.98% to ₹28.48 Lakhs for the financial year 2020-21 from ₹50.84 Lakhs for the financial year 2019-20. The decrease was mainly due to the factors described above.

Tax expenses

Our tax expenses for the financial year 2020-21 amounted to ₹8.27 Lakhs as against tax expenses of ₹9.04 Lakhs for the financial year 2019-20. The net decrease of ₹0.77 Lakhs is on account of increase in Current Tax which is set off with decrease in Deferred Tax Assets.

Profit After Tax

Our profit after tax decreased by 51.64% to ₹20.21 Lakhs for the financial year 2020-21 from ₹41.80 Lakhs for the financial year 2019-20, reflecting a net decrease of ₹21.59 Lakhs due to aforementioned reasons.

Changes in Cash Flows

The table below summaries our cash flows from our Restated Financial Statements for the period ended August,31 2022 and the financial years 2022, 2021 and 2020:

| Particulars | For the stub period ended on August 31, 2022 | For the financial year ended on March 31, | | |
|--|--|---|----------|----------|
| | | 2022 | 2021 | 2020 |
| Net cash (used in)/ generated from operating Activities | 142.99 | 447.77 | (171.31) | 145.36 |
| Net cash (used in)/ generated from investing Activities | (5.70) | (36.57) | (347.06) | (115.94) |
| Net cash (used in)/ generated from financing Activities | (127.05) | (422.57) | 548.95 | (24.09) |
| Net increase/ (decrease) in cash and cash Equivalents | 10.24 | (11.37) | 30.57 | 5.32 |
| Cash and Cash Equivalents at the beginning of the period | 25.32 | 36.69 | 6.11 | 0.79 |
| Cash and Cash Equivalents at the end of the Period | 35.56 | 25.32 | 36.69 | 6.11 |

Operating Activities**Stub Period ended August 31, 2022**

Our net cash generated from operating activities was ₹142.99 Lakhs for the stub period ended on August 31, 2022. Our operating profit before working capital changes was ₹207.81 Lakhs for the stub period ended August 31, 2022 which was primarily adjusted against decrease in inventories by ₹18.88 Lakhs, decrease in trade receivables by ₹235.17 Lakhs, increase in Short Term loans and advances by ₹0.10 Lakhs, increase in Other Current assets by ₹15.50 Lakhs, decrease in trade payables by ₹218.59 Lakhs, decrease in other current liabilities by ₹65.95 Lakhs, decrease in Short Term Provisions by ₹72.72 Lakhs, increase in Short Term Borrowings by ₹53.98 Lakhs.

Financial year 2021-22

Our net cash generated from operating activities was ₹447.77 Lakhs for the period ended March 31, 2022. Our operating profit before working capital changes was ₹333.27 Lakhs for the financial year 2021-22 which was primarily adjusted against decrease in inventories by ₹172.04 Lakhs, decrease in trade receivables by ₹208.09 Lakhs, decrease in Short Term Loans and advances by ₹2.17 Lakhs, decrease in Other current assets by ₹158.66 Lakhs, increase in Other Non-Current Assets by ₹0.11 Lakhs, decrease in Short Term Borrowing by ₹52.70 Lakhs, decrease in trade payables by ₹228.82 Lakhs,

decrease in other current liabilities by ₹144.58 Lakhs, increase in Short Term Provisions by ₹15.01 Lakhs and Income Tax paid of ₹15.26 Lakhs.

Financial year 2020-21

Our net cash used in operating activities was ₹171.31 Lakhs for the period ended March 31, 2021. Our operating profit before working capital changes was ₹179.35 Lakhs for the financial year 2020-21 which was primarily adjusted against increase in inventories by ₹745.27 Lakhs, increase in trade receivables by ₹363.18 Lakhs, increase in Short Term Loans and advances by ₹3.54 Lakhs, increase in Other Current Assets by ₹24.33 Lakhs, increase in Other Non-Current Assets by ₹69.25 Lakhs, increase in trade payables by ₹253.10 Lakhs, decrease in other current liabilities by ₹39.43 Lakhs, increase in Short Term Provisions by ₹63.59 Lakhs, increase in Short Term Borrowings by ₹585.26 Lakhs and Income Tax paid of ₹7.62 Lakhs.

Financial year 2019-20

Our net cash generated from operating activities was ₹145.36 Lakhs for the period ended March 31, 2020. Our operating profit before working capital changes was ₹126.23 Lakhs for the financial year 2019-20 which was primarily adjusted against increase in inventories by ₹485.09 Lakhs, increase in trade receivables by ₹304.57 Lakhs, decrease in Short Term Loans and advances by ₹1.42 Lakhs, increase in Long Term Loans and advances by ₹5.00 Lakhs, increase in Other current assets by ₹108.88 Lakhs, increase in Other Non-Current Assets by ₹0.20 Lakhs, increase in Short Term Borrowing by ₹187.07 Lakhs, increase in trade payables by ₹434.22 Lakhs, increase in other current liabilities by ₹285.33 Lakhs, increase in Short Term Provisions by ₹21.55 Lakhs and Income Tax paid of ₹6.73 Lakhs.

Investing Activities

Stub Period ended August 31, 2022

Our net cash used in investing activities was ₹5.70 Lakhs for the stub period ended August 31, 2022. These were on account of Purchase of Property, Plant & Equipment of ₹7.78 Lakhs which was set off against interest income of ₹2.08 Lakhs.

Financial year 2021-22

Our net cash used in investing activities was ₹36.57 Lakhs for the financial year 2021-22. These were on account of Purchase of Property, Plant & Equipment of ₹38.42 Lakhs which was set off against interest income of ₹1.85 Lakhs.

Financial year 2020-21

Our net cash used in investing activities was ₹347.06 Lakhs for the financial year 2020-21. These were on account of Purchase of Property, Plant & Equipment of ₹283.49 Lakhs, Sale of Property, Plant & Equipment of ₹4.99 Lakhs, Profit on sale of Property, Plant & Equipment of ₹2.36 Lakhs and Loss on business acquisition of ₹70.92 Lakhs.

Financial year 2019-20

Our net cash used in investing activities was ₹115.94 Lakhs for the financial year 2019-20. These were on account of Purchase of Property, Plant & Equipment of ₹115.94 Lakhs.

Financing Activities

Stub Period ended August 31, 2022

Net cash used in financing activities for the stub period August 31, 2022 was ₹ 127.05 Lakhs which was primarily on account of Repayment of Long-Term Borrowings of ₹87.03 Lakhs and Finance Cost of ₹40.02 Lakhs.

Financial year 2021-22

Net cash used in financing activities for the financial year ended on March 31, 2022 was ₹ 422.57 Lakhs which was primarily on account of Proceeds from Issue of Share Capital of ₹184.90 Lakhs, Repayment of Share Application Money of ₹ 221.88 Lakhs, Repayment of Long-Term Borrowings of ₹ 245.88 Lakhs, and Finance Cost of ₹139.70 Lakhs.

Financial year 2020-21

Net cash flow generated from financing activities for the financial year March 31, 2021 was ₹ 548.95 Lakhs which was primarily on account of Proceeds of Share Application Money of ₹ 221.88 Lakhs, Cash Proceeds from Long Term Borrowings of ₹426.18 Lakhs and Finance Cost of ₹ 99.12 Lakhs.

Financial year 2019-20

Net cash used in financing activities for the financial year March 31, 2020 was ₹24.09 Lakhs which was primarily on account of Proceeds of Issue of Share Capital of ₹68.81 Lakhs, Repayment of Share application Money of ₹40.06 Lakhs, Repayment of Long-Term Borrowings of ₹21.29 Lakhs and Finance Cost of ₹31.56 Lakhs.

Other Key Ratios

The table below summaries key ratios in our Restated Financial Statements for the stub period ended August 31, 2022 and financial years ended on March 31, 2022, 2021 and 2020:

| Particulars | For the stub period ended on August 31, 2022 | For the financial year ended March 31, | | |
|----------------------------|---|--|------|------|
| | | 2022 | 2021 | 2020 |
| Fixed Asset Turnover Ratio | 3.82 | 6.83 | 5.25 | 8.01 |
| Current Ratio | 1.32 | 1.24 | 1.26 | 1.20 |
| Debt Equity Ratio | 1.79 | 2.22 | 5.84 | 1.37 |
| Inventory Turnover Ratio | 1.26 | 2.23 | 2.49 | 5.04 |

Fixed Asset Turnover Ratio: This is defined as revenue from operations divided by total fixed assets based on Financial Statements as Restated.

Current Ratio: This is defined as current assets divided by current liabilities, based on Financial Statements as Restated.

Debt Equity Ratio: This is defined as total debt divided by total shareholder funds. Total debt is the sum of long-term borrowings, short-term borrowings and current maturities of long-term debt, based on Financial Statements as Restated.

Inventory Turnover Ratio: This is defined as average inventory divided by total turnover based on Financial Statements as restated.

Financial Indebtedness

As on August 31, 2022, the total outstanding borrowings of our Company is ₹1,080.74 Lakhs. For further details, refer to the chapter titled “*Statement of Financial Indebtedness*” beginning on page 150 of this Draft Red Herring Prospectus.

| (₹ in Lakh) | |
|---|-----------------------|
| Particulars | As at August 31, 2022 |
| Loans from Banks & Financial Institutions | 1,062.74 |
| Unsecured Loans from Related Party | 18.00 |
| Total | 1,080.74 |

Related Party Transactions

Related party transactions with our promoters, directors and their entities and relatives primarily relate to purchase and sale of products and services. For further information, please refer to the chapter titled “*Financial Statements as Restated*” on page 149 of this Draft Red Herring Prospectus.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Financial Market Risks

Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk. We are exposed to interest rate risk, inflation and credit risk in the normal course of our business.

Interest Rate Risk

Our financial results are subject to changes in interest rates, which may affect our debt service obligations and our access to funds.

Effect of Inflation

We are affected by inflation as it has an impact on the raw material cost, wages, etc. In line with changing inflation rates, we re-work our margins so as to absorb the inflationary impact.

Credit Risk

We are exposed to credit risk on monies owed to us by our customers. If our customers do not pay us promptly, or at all, we may have to make provisions for or write-off such amounts.

Reservations, Qualifications and Adverse Remarks

Except as disclosed in chapter titled “*Financial Statements as Restated*” beginning on page 149 of this Draft Red Herring Prospectus, there have been no reservations, qualifications and adverse remarks by the Auditors.

Details of Default, if any, including therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution:

Except as disclosed in chapter titled “*Financial Statements as Restated*” beginning on page 149 of this Draft Red Herring Prospectus, there have been no defaults in payment of statutory dues or repayment of debentures and interest thereon or repayment of deposits and interest thereon or repayment of loans from any bank or financial institution and interest thereon by the Company.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS

Unusual or infrequent events or transactions

There are no transactions or events, which in our best judgment, would be considered unusual or infrequent that have significantly affected operations of the Company.

Significant economic changes that materially affected or are likely to affect income from continuing operations

There are no significant economic changes that materially affected Company’s operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business including the future financial performance, shareholders’ funds and ability to implement strategy and the price of the Equity Shares.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as disclosed in the chapter titled “*Risk Factors*” beginning on page 26 of this Draft Red Herring Prospectus to our knowledge, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Future changes in relationship between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However, increase in the cost of the goods in which the Company

deals, will affect the profitability of the Company. Further, the Company may not be able to pass on the increase in prices of the services to the customers in full and this can be offset through cost reduction.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Total turnover of each major industry segment in which the Issuer Company operates

Our Company is primarily engaged in the process of manufacturing an extensive array of Air Coolers and Electric Geysers. We serve under both original equipment manufacturer (“OEM”) and original design manufacturer (“ODM”) business models.

Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 90 of this Draft Red Herring Prospectus.

Competitive Conditions

We have competition with Indian and international Air Coolers/Electric Geysers manufacturing companies and our results of operations could be affected by competition in the said industry in India and international market in the future. We expect competition to intensify due to possible new entrants in the market, existing competitors further expanding their operations and our entry into new markets where we may compete with well-established unorganized companies/ entities. This we believe may impact our financial condition and operations. For details, please refer to the chapter titled “*Risk Factors*” beginning on page 26 of this Draft Red Herring Prospectus.

Increase in income

Increases in our income are due to the factors described above in in this chapter under “*Factors Affecting Our Results of Operations*” and chapter titled “*Risk Factors*” beginning on page 26 of this Draft Red Herring Prospectus.

Status of any Publicly Announced New Business Segments

Except as disclosed elsewhere in the Draft Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

STATEMENT OF FINANCIAL INDEBTEDNESS

Brief details on the financial indebtedness of the “COMRADE APPLIANCES LIMITED” as on August 31, 2022 is as under:

SECURED LOAN FROM BANKS & FINANCIAL INSTITUTIONS:

| Name of Lender | Date of Sanction | Nature/ Purpose | Sanctioned Amount (₹ in lakhs) | Rate of interest | Repayment Period | Outstanding amount (₹ in lakhs) |
|----------------|------------------|---------------------------------------|--------------------------------|---|---|---------------------------------|
| Canara Bank | 31-01-2022 | Cash Credit | 840.00 | 10.00% (RLLR+CRR) | Repayable on demand | 609.32 |
| Canara Bank | 29-11-2019 | Term Loan | 85.00 | 11.55% (RLLR+2.65%+0.85%) | Repayable in 84 monthly installments | 67.01 |
| Canara Bank | 11-09-2017 | Term Loan | 75.00 | 7.45% | Repayable in 60 monthly installments | 12.19 |
| Canara Bank | 23-09-2020 | Term Loan | 35.00 | 10.85% (RLLR+ Spread of 3.10% + 0.85% term premium) | Repayable in 84 monthly installments (Including moratorium of 4 months) each starting from January, 2021 and ending on December, 2027 | 26.63 |
| Canara Bank | 31-01-2022 | GECL Loan | 33.00 | 10.00% (RLLR+CRR) | Repayable in 34 monthly installments of Rs. 0.95 Lakhs and additional interest thereon separately on such outstanding principle. | 21.83 |
| Canara Bank | 17-06-2020 | GECL Loan (Working Capital Term loan) | 70.00 | 7.50% | Repayable in 48 equated monthly installments (Including moratorium of 12 months) each starting from | 44.65 |
| Canara Bank | 08-11-2021 | GECL Loan (Working Capital Term Loan) | 100.00 | 9.25% (RLLR/1 year MCLR + 0.60%) | Repayable in 36 monthly installments (After a moratorium of 24 months) | 100.00 |
| SIDBI | 06-11-2020 | Term Loan | 100.00 | 8.37% | Repayment schedule is not available | 70.40 |
| | | TOTAL | | | | 952.02 |

UNSECURED LOAN FROM BANK & FINANCIAL INSTITUTIONS:

| Name of Lender | Date of Sanction | Nature/ Purpose | Sanctioned Amount (₹ in lakhs) | Rate Of Interest | Repayment Period | Outstanding Amount (₹ in lakhs) |
|------------------------------|------------------|---------------------------|--------------------------------|------------------|--|---------------------------------|
| Aditya Birla Finance Limited | 16-10-2020 | Working Capital Term Loan | 20.00 | 18.00% | Repayable in 36 equated monthly installments starting from December, 2020 and ending on October, 2023. | 9.01 |
| Ashv Finance Limited | 31-10-2020 | Working Capital Term Loan | 20.00 | 18.00% | Repayable in 24 equated monthly installments starting from December, 2020 | 2.90 |

| | | | | | | |
|------------------------------------|------------|-----------------------------|-------|--------|---|---------------|
| | | | | | and ending on November, 2022. | |
| Bajaj Finance Limited | 30-09-2020 | Hybrid Flexi Business Loan | 30.60 | 18.00% | Repayable in 60 monthly installments starting from November, 2020 and ending on October, 2025. | 30.59 |
| Deutsche Bank | 02-12-2020 | Medium Term Working Capital | 25.00 | 17.00% | Repayable in 36 monthly installments starting from January, 2021 and ending on December, 2023. | 12.64 |
| Fullerton India Credit Co. Limited | 10-11-2020 | Term Loan | 20.00 | 18.58% | Repayable in 24 monthly installments starting from January, 2021 and ending on December, 2022 | 2.90 |
| HDFC Bank Limited | 24-02-2019 | Term Loan | 35.00 | 17.50% | Repayable in 57 monthly installments starting from April, 2019 and ending on March, 2023 | 14.16 |
| ICICI Bank | 13-10-2020 | Term Loan | 20.00 | 16.50% | Repayable in 36 monthly installments starting from December, 2020 and ending at November, 2023. | 8.81 |
| IDFC First Bank | 03-10-2022 | Term Loan | 25.50 | 16.50% | Repayable in 36 monthly installments starting from November, 2020 and ending on October, 2023 | 11.43 |
| Indusind Bank | 01-02-2019 | Term Loan | 25.00 | 18.50% | Repayable in 36 monthly installments starting from March, 2019 and ending on February, 2022. | 0.98 |
| Magma Fincorp Limited | 03-11-2020 | Term Loan | 18.00 | 16.40% | Repayable in 36 monthly installments starting from December, 2020 and ending on November, 2023. | 8.58 |
| RBL Bank | 05-10-2020 | Term Loan | 25.10 | 18.00% | Repayable in 30 monthly installments starting from December, 2020 and ending on May, 2023. | 8.72 |
| | | TOTAL | | | | 110.72 |

UNSECURED LOAN FROM RELATED PARTIES:

| Name of Lender | Outstanding Amount (₹ in lakhs) |
|----------------|---------------------------------|
| Waheed Nizami | 9.00 |
| Anisa Bano | 9.00 |
| Total | 18.00 |

SECTION X: LEGAL AND OTHER INFORMATION**OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

Our Company, our Directors and our Promoters are subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as stated in this section, there are no:

(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges in the last five financial years including outstanding action; (iv) claims relating to direct and indirect taxes; and (v) Material Litigation (as defined below); involving our Company, Directors or Promoters.

Our Board of Directors, in its meeting held on January 02, 2023 determined that outstanding litigation involving our Company shall be considered material (“**Material Litigation**”) if:

(i) the potential financial liability/monetary claim by or against the Company, its Directors, Promoters, Group Companies, in any such pending matter(s) exceeds Rs. 10.00 Lakhs, and (ii) the Board of Directors or any of its Committees shall have the power and authority to determine suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board of Directors or any of its Committees.

Our Board of Directors, in its meeting held on January 02, 2023 determined that outstanding dues owed by the Company to the small-scale undertakings and other creditors, shall be considered material for the purpose of disclosure in Offer Document, if amount dues to any one of them exceeds Rs. 10.00 Lakhs of the Company’s trade payables for the last audited financial statements (“**Material Dues**”).

Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI (ICDR) Regulations have been disclosed on our website at www.comrade.net.in.

Our Company, its Directors and its Promoters are not Wilful Defaulters and there have been no violations of securities laws in the past or pending against them.

A. LITIGATIONS INVOLVING OUR COMPANY**(I) Litigations filed against our Company**

a. *Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company:*

Tax Proceedings

The following tax proceedings are pending against the Company:

(i) Direct Tax

As per website of Income Tax, the following e-proceedings are shown as pending with “open” or “pending” status. However, the amount has not been mentioned and cannot be crystallized.

NIL

(ii) Income Tax:

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Company are still outstanding:

| (₹ in Lakh) | | | | | | |
|------------------------|---------------------|-------------------------------------|---------------------------------------|------------------------|---|---|
| Assessment Year | Section Code | Demand Identification Number | Date on which demand is raised | No. of Defaults | Outstanding Demand (Rupees in Lakhs) | Final Interest (Rupees in Lakhs) |
| 2022 | 143(1)(a) | 202202237 134793505C | November 16, 2022 | (1) | 0.09 | 0.00 |
| Total | | | | | 0.09 | 0.00 |

(iii) Tax Deducted at Source (TDS)

(₹ in Lakh)

| Sr. No | Financial Year | Total Default (in Rupees) |
|--------------|----------------|---------------------------|
| 1. | 2022-2023 | 0.01 |
| 2. | 2021-2022 | 3.7 |
| 3. | 2020-2021 | 0.95 |
| 4. | 2019-2020 | 0.02 |
| 5. | Prior Years | 0.005 |
| Total | | 4.69 |

b. Matters involving issues of moral turpitude or criminal liability on the part of our Company.

There are no issues of moral turpitude or criminal liability on part of the Company.

c. Matters involving material violations of Statutory Regulations by our Company.

There are no material violations of Statutory Regulations by the Company.

d. Economic Offences where proceedings have been initiated against our Company.

There are no matters involving economic offences where proceedings have been initiated against our Company.

(II) Litigations filed by our Company.

NIL

B. LITIGATIONS INVOLVING OUR PROMOTERS**(I) Litigations filed against our Promoters****a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Promoters:****Tax Proceedings**

The following tax proceedings are pending against the Promoters:

(i) Direct Tax

As per website of Income Tax, the following e-proceedings are shown as pending with “open” or “pending” status. However, the amount has not been mentioned and cannot be crystallized.

(₹ in Lakh)

| Assessment Year | Proceeding Name | Proceeding Status |
|--|--------------------------|-------------------|
| Troupe Technologies Private Limited | | |
| 2019-20 | Adjustment u/s 143(1)(a) | Pending |

(ii) Income Tax:

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Promoters are still outstanding:

| Assessment Year | Section Code | Demand Identification Number | Date on which demand is raised | No. of Defaults | Outstanding Demand (₹ in Lakh) | Final Interest (₹ in Lakh) |
|-----------------------|--------------|------------------------------|--------------------------------|-----------------|--------------------------------|----------------------------|
| Khursheed Alam | | | | | | |
| 2012 | 143(1)(a) | 2013201237003876163T | April 26, 2013 | (1) | 0.09 | 0.00 |
| Total | | | | | 0.09 | 0.00 |

| Assessment Year | Section Code | Demand Identification Number | Date on which demand is raised | No. of Defaults | Outstanding Demand (₹ in Lakh) | Final Interest (₹ in Lakh) |
|---------------------|--------------|------------------------------|--------------------------------|-----------------|--------------------------------|----------------------------|
| Mehboob Alam | | | | | | |
| 2022 | 143(1)(a) | 202202237120587152T | October 8, 2022 | (1) | 0.01 | 0.00 |
| 2020 | 143(1)(a) | 2020202037025345761T | February 21, 2021 | (1) | 2.59 | 0.59 |
| Total | | | | | 2.60 | 0.59 |

| Assessment Year | Section Code | Demand Identification Number | Date on which demand is raised | No. of Defaults | Outstanding Demand (₹ in Lakhs) | Final Interest (₹ in Lakhs) |
|--|--------------|------------------------------|--------------------------------|-----------------|---------------------------------|-----------------------------|
| Troupe Technologies Private Limited | | | | | | |
| 2020 | 143(1)(a) | 2021202037008621701C | June 22, 2021 | (1) | 0.005 | 0.000 |
| 2021 | 143(1)(a) | 2021202137058457860C | March 30, 2022 | (1) | 0.003 | 0.003 |
| Total | | | | | 0.008 | 0.003 |

(iii) Tax Deducted at Source (TDS)

(₹ in Lakh)

| Sr. No | Financial Year | Total Default |
|--------------|----------------|---------------|
| 1. | 2020-2021 | 0.02 |
| 2. | 2019-2020 | 0.03 |
| 3. | Prior Years | 0.001 |
| Total | | 0.051 |

a. Matters involving issues of moral turpitude or criminal liability on the part of our Promoters.

There are no issues of moral turpitude or criminal liability on part of our Promoters.

b. Matters involving material violations of Statutory Regulations by our Promoters.

There are no material violations of Statutory Regulations by our Promoters.

c. Economic Offences where proceedings have been initiated against our Promoters.

There are no matters involving economic offences where proceedings have been initiated against our Promoters.

(II) Litigations filed by our Promoters.

NIL

C. LITIGATIONS INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS)

(I) Litigations filed against our Directors (other than Promoters)

*a. Pending matters, which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Directors (other than Promoters)***Tax Proceeding**

The following tax proceedings are pending against Directors (other than Promoters):

(i) Direct Tax

As per website of Income Tax, the following e-proceedings are shown as pending with 'open' status. However, the amount has not been mentioned and cannot be crystallized:

| Assessment Year | Proceeding Name | Proceeding Status |
|----------------------|-----------------------------|-------------------|
| Rajan Agarwal | | |
| 2012-2013 | Defective Notice u/s 139(9) | Pending |

(ii) Income Tax:

As per website of Income Tax Department for outstanding tax demand, following defaults in the payment of Income Tax by the Directors (other than Promoters) are still outstanding.

NIL

b. *Matters involving issues of moral turpitude or criminal liability on the part of our Directors (other than Promoters).*

There are no issues of moral turpitude or criminal liability on part of our Directors (other than Promoters).

c. *Matters involving material violations of Statutory Regulations by our Directors (other than Promoters).*

There are no material violations of Statutory Regulations by our Directors (other than Promoters).

d. *Economic Offences where proceedings have been initiated against our Directors (other than Promoters).*

There are no matters involving economic offences where proceedings have been initiated against our Directors (other than Promoters).

OUTSTANDINGS DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES OR ANY OTHER CREDITORS

In accordance with our Company's materiality policy dated January 02, 2023, below are the details of the Creditors where there are outstanding amounts as on August 31, 2022:

| Sr. No. | Particulars | Amount (₹ In Lakhs) |
|--------------|--|---------------------|
| 1. | Total Outstanding dues to Micro, Small & Medium Enterprises | NIL |
| 2. | Total Outstanding dues to creditors other than Micro, Small & Medium Enterprises | 419.67 |
| Total | | 419.67 |

MATERIAL DEVELOPMENTS SINCE THE LAST BALANCE SHEET

Except as mentioned under the chapter - "***Management Discussion and Analysis of Financial Condition and Result of Operation***" on page 150 of this Draft Red Herring Prospectus, there have been no material developments, since the date of the last audited balance sheet.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central Government and appropriate State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. Our Company undertakes to obtain all material approvals and licenses and permissions required to operate our present business activities. It must, however, be distinctly understood that in granting the approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed on this behalf.

Following statements set out the details of licenses, permissions and approvals obtained by the Company under various Central and State legislations for carrying out its business activities.

I. APPROVALS FOR THE ISSUE

Corporate Approvals

The following approvals have been obtained or will be obtained in connection with the Issue:

- a. Our Board of Directors have pursuant to a resolution passed at their meeting held on December 15, 2022 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary.
- b. The Issue of Equity Shares has been authorized by a special resolution adopted pursuant to Section 62(1) (c) of the Companies Act, 2013 by Special Resolution in an Extra Ordinary General Meeting held on December 20, 2022.

ISIN Number

The Company's International Securities Identification Number ("ISIN") is INE0NXA01015.

Stock Exchange

In-Principle approval letter dated [●] from BSE Limited for the listing of equity shares issued by our Company pursuant to the Issue.

II. APPROVALS OBTAINED BY OUR COMPANY

| Sr. No. | NATURE OF LICENSE/APPROVAL | REGISTRATION / LICENSE NO. | ISSUING AUTHORITY | DATE OF GRANT | VALIDITY |
|---|--|-----------------------------------|---|----------------------|-----------------------|
| 1. | Certificate of Incorporation in the name of Comrade Appliances Private Limited | U74999MH2017P TC292817 | Deputy Registrar of Companies, Central Registration Centre | March 22, 2017 | One Time Registration |
| 2. | Certificate of Incorporation upon change of name from Comrade Appliances Private Limited to Comrade Appliances Limited pursuant to conversion from Private Company to Public Company | U74999MH2017P LC292817 | Registrar of Companies, Mumbai, Maharashtra | December 13, 2022 | One Time Registration |
| TAX RELATED APPROVALS | | | | | |
| 3. | Permanent Account Number ("PAN") | AAGCC9056P | Income Tax Department, Government of India | March 22, 2017 | One Time Registration |
| 4. | *Tax Deduction Account Number ("TAN") | MUMC22824E | Income Tax Department, Government of India | March 22, 2017 | One Time Registration |
| GOODS AND SERVICE TAX REGISTRATION | | | | | |
| 5. | Certificate of Registration under Goods and Services Tax Act, 2017 for Mumbai and Palghar Office | 27AAGCC9056P1 ZX | Superintendent – Jogeshwari West_701, Central Board of Indirect Taxes and Customs | October 21, 2020 | One Time Registration |

| Sr. No. | NATURE OF LICENSE/APPROVAL | REGISTRATION / LICENSE NO. | ISSUING AUTHORITY | DATE OF GRANT | VALIDITY |
|--|---|---|---|--------------------|-----------------------|
| CERTIFICATE OF REGISTRATION UNDER STATE TAX ON PROFESSION, TRADES, CALLING AND EMPLOYMENTS ACTS | | | | | |
| 6. | *Certificate of Registration under the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975. | 27361546124P | Maharashtra Sales Tax Department, Government of Maharashtra | August 8, 2017 | One Time Registration |
| 7. | *Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975. | 99723148148P | Maharashtra Sales Tax Department, Government of Maharashtra | April 1, 2017 | One Time Registration |
| BUSINESS RELATED APPROVALS | | | | | |
| 8. | *Udyam Registration under Micro, Small and Medium Enterprises Development Act, 2006 | UDYAM-MH-18-0010912 | Government of India, Ministry of Micro, Small and Medium Enterprises | September 16, 2020 | One Time Registration |
| 9. | *Udyog Aadhaar | 611302161994 UAM No.: MH18B0067522 | Ministry of Micro, Small and Medium Enterprises, Government of India | March 22, 2017 | One Time Registration |
| 10. | *Certificate of Importer-Exporter Code | 0317512056 | Assistant Director General of Foreign Trade, O/O Additional Director General of Foreign Trade, Government of India, Ministry of Commerce and Industry | May 2, 2017 | One Time Registration |
| 11. | *Certificate of Registration for ISO 9001:2015 Quality Management Certificate | 2122100058QM | DGA (Dynamic Growth Agency) | July 15, 2021 | July 14, 2024 |
| 12. | *Certificate of Recognition under Start up India | DIPP88547 | Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India | October 28, 2021 | March 21, 2027 |
| 13. | *Registration of Factory and related License to operate a Factory | 129002790000021 | Directorate of Industrial Safety and Health (Department of Labour), Government of Maharashtra | June 10, 2021 | December 31, 2025 |
| POLLUTION RELATED APPROVALS | | | | | |
| 14. | *Consent to Operate | Green/S.S.I Consent No.: SRO-Tarapur II/Consent/191000 0103 | Regional Officer – Tarapur II, Maharashtra Pollution Control Board | October 3, 2019 | September 30, 2024 |
| CERTIFICATE OF REGISTRATION UNDER STATE SHOPS AND COMMERCIAL ESTABLISHMENT ACTS | | | | | |
| 15. | Certificate of Registration under Maharashtra Shops and Establishments Act, 1948 | 820268747/KW Ward/COMMERCIAL II | Office of the Inspector under Maharashtra Shops and Establishments Act, 1948 | January 27, 2023 | One Time Registration |
| LABOUR RELATED APPROVALS | | | | | |
| 16. | *Copy of Registration under Employees' Provident Fund and Miscellaneous Provisions Act, 1952 | KDMAL17573330 00 | Regional Office, Malad (Kandivali), Employees' Provident Fund Organisation | August 6, 2018 | One Time Registration |

| Sr. No. | NATURE OF LICENSE/APPROVAL | REGISTRATION / LICENSE NO. | ISSUING AUTHORITY | DATE OF GRANT | VALIDITY |
|---------|--|----------------------------|--|----------------|-----------------------|
| 17. | *Copy of Registration under Employees' State Insurance Act, 1948 | 35000432200001099 | Asst./Dy. Director, Sub-Regional Office - Mumbai, Employees' State Insurance Corporation | August 6, 2018 | One Time Registration |

*The above-mentioned approvals are in the previous name of the Company i.e., Comrade Appliances Private Limited. The Company is in the process of name change from Comrade Appliances Private Limited to Comrade Appliances Limited in all its approvals.

III. APPROVALS OBTAINED/APPLIED IN RELATION TO INTELLECTUAL PROPERTY RIGHTS:

| Sr. No. | Word/ Label/ Mark/Design | Application No./Design No. | Class | Registration / Application date | Status/ Validity |
|---------|--|----------------------------|-------|---------------------------------|-------------------------------------|
| 1. |  FRONT VIEW | 333404-001 | 23-04 | September 21, 2020 | Registered – Accepted and Published |
| 2. |  | 333407-001 | 23-03 | September 21, 2020 | Registered – Accepted and Published |
| 3. |  | 333405-001 | 23-04 | September 21, 2020 | Registered – Accepted and Published |
| 4. | *Comrade (Word Mark) | 3773417 | 11 | October 5, 2019 | March 9, 2028 |
| 5. |  (Temporary Reference Number) | 8223482 | 11 | February 1, 2023 | Pending |

*The above-mentioned approvals are in the previous name of the Company i.e., Comrade Appliances Private Limited. The Company is in the process of name change from Comrade Appliances Private Limited to Comrade Appliances Limited in all its approvals.

III. THE DETAILS OF DOMAIN NAME REGISTERED ON THE NAME OF THE COMPANY:

| Sr. No. | Domain Name and ID | IANA ID | Creation Date | Expiry Date |
|---------|--|---------|---------------|---------------|
| 1. | Domain name – COMRADE.NET.IN Domain ID – D414400000003821813-IN | 146 | April 6, 2017 | April 6, 2027 |

IV. PENDING APPROVALS

We have applied to Maharashtra Pollution Control Board (MPCB) seeking their Consent to Establish vide Application Number MPCB-CONSENT-0000149187, dated September 26, 2022.

OUR GROUP COMPANIES

In accordance with the provisions of the SEBI (ICDR) Regulations, 2018 as amended from time to time, for the purpose of identification of Group Companies, our Company has considered (i) such companies (other than our Corporate Promoters and Subsidiaries) with which there were related party transactions during the period for which Restated Financial Statements have been disclosed in this Draft Red Herring Prospectus, as covered under the applicable Indian Accounting Standards (i.e., Ind AS 24); and (ii) any other companies which are considered material by our Board.

Pursuant to the resolution dated January 02, 2023 our board vide a policy of materiality has resolved that except as mentioned in the list of related parties prepared in accordance with Ind AS-24, no other company is material in nature. The following companies are identified as group companies of our company:

- M/s. Troupe Technologies Private Limited

In accordance with the SEBI ICDR Regulations certain financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable) are available at our Group Company's website i.e., www.troupe.co.in

None of our Company, the BRLM or any of the Company's or the BRLM respective directors, employees, affiliates, associates, advisors, agents or representatives have verified the information available on the websites indicated below.

DETAILS OF OUR GROUP COMPANY

Our group company comprise of Troupe Technologies Private Limited. The detail of our Group Company is as provided below:

M/S TROUPE TECHNOLOGIES PRIVATE LIMITED (TTPL)

CORPORATE INFORMATION:

M/s Troupe Technologies Private Limited was incorporated at Mumbai as a private limited company under the Companies Act, 2013, pursuant to a certificate of incorporation dated October 23, 2017, issued by the Central Registration Centre, RoC. The registered office of company is situated at 38, Level-1, Dewan Centre SV Road, Jogeshwari West, Mumbai – 400102, Maharashtra, India. The Corporate Identification Number of the company U31100MH2017PTC301062.

FINANCIAL INFORMATION:

The financial information derived from the audited financial statements of TTPL for the last three financial years, as required by the SEBI ICDR Regulations, are available on www.troupe.co.in. The financial information is available at our Group Company's website.

LITIGATION AGAINST GROUP COMPANIES:

Except, as mentioned in the chapter titled, “*Outstanding Litigation and Material Developments*” beginning on page 170, Our Group Companies are not involved in any litigations which have a material impact on our company.

OTHER CONFIRMATIONS:

- a) None of our Group Companies has made any public and/or rights issue of securities in the preceding three years.
- b) None of the above-mentioned Group Companies is in defaults in meeting any Statutory/ bank/ institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies.
- c) None of the above-mentioned Group Companies is a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 or is under winding up/insolvency proceedings.
- d) Our Group Companies has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities

INTEREST OF OUR GROUP COMPANIES:

Interest in the promotion or formation of our company:

None of our group companies have any interest in the promotion or formation of our company.

Interest in the properties acquired or proposed to be acquired by our Company in the past three years before filing of this Draft Red Herring Prospectus:

None of our group companies have any interest in the properties acquired by our Company within the three years preceding the date of filing this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Interest in transactions for acquisition of land, construction of building and supply of machinery:

None of our group companies have any interest in any transaction for acquisition of land, construction of building and supply of machinery, etc.

COMMON PURSUITS

As on the date of this Draft Red Herring Prospectus, none of our Group Companies are engaged in the similar line of business as of our Company. As a result, conflicts of interests may arise in allocating business opportunities amongst our Companies and in circumstances where our respective interests diverge

RELATED BUSINESS TRANSACTIONS WITH OUR GROUP COMPANIES AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

Other than the transactions disclosed in “*Financial Statements as Restated – Related Party Transaction*” on page 149 there are no other related business transactions amongst our group companies and our company.

BUSINESS INTERESTS OR OTHER INTERESTS

Except as disclosed in “*Financial Statements as Restated*” on page 149, our group companies do not have any business interest in our Company.

UNDERTAKING / CONFIRMATIONS BY OUR GROUP COMPANIES

None of our Promoters or Promoter Group or Group companies or person in control of our Company has been

- i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
- ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company or have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group companies/Promoter Group entities have been declared as a wilful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

The information as required by the SEBI ICDR Regulations with regards to the Group companies, are also available on the website of our company i.e. www.comrade.net.in

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Board of Directors, pursuant to a resolution passed at their meeting held on December 15, 2022 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extraordinary General Meeting held on December 20, 2022 authorized the Issue.

In-Principle Approval:

Our Company has obtained In-Principle approval from the BSE SME for using its name in the Offer Documents pursuant to an approval letter dated [●] from BSE Limited. BSE is the Designated Stock Exchange.

PROHIBITION BY SEBI OR OTHER GOVERNMENTAL AUTHORITIES

We confirm that our Company, Promoter, Promoter Group and Directors have not been declared as wilful defaulter(s) or fraudulent borrowers by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

We confirm that our Company, Promoter, Promoter Group or Directors have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI or any other regulatory or Governmental Authority.

- Neither our Company, nor Promoters, nor Promoter Group, nor any of our Directors or persons in control of our Company are / were associated as promoters, directors or persons in control of any other Company which is debarred from accessing or operating in the capital markets under any order or directions made by the SEBI or any other regulatory or Governmental Authorities.
- None of our Directors 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 Director.
- Neither our Promoters, nor Promoter Group, nor any of our Directors is declared as Fugitive Economic Offender.
- Neither our Company, nor our Promoters, nor Promoter Group nor our Directors, are Wilful Defaulters or fraudulent borrowers.

PROHIBITION BY RBI

Neither our Company, nor Promoters, nor Promoter Group, nor any of our Directors or the person(s) in control of our Company have been identified as a wilful defaulter or fraudulent borrowers. by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided under chapter titled “*Outstanding Litigations and Material Developments*” beginning on page 170 of this Draft Red Herring Prospectus.

Neither our Company, our Promoters, our Directors, Group companies, relatives (as per Companies Act, 2013) of Promoters or the person(s) in control of our Company have been identified as wilful defaulters or a fraudulent borrower as defined by the SEBI ICDR Regulations, 2018.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company, the Promoters and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 (“SBO Rules”), to the extent applicable, as on the date of this Draft Red Herring Prospectus.

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

None of our Directors are associated with the Securities Market in any manner and no action has been initiated against these entities by SEBI at any time except as stated under the chapters titled “*Outstanding Litigations and Material Developments*” beginning on page 170 respectively, of this Draft Red Herring Prospectus.

ELIGIBILITY FOR THE ISSUE

Our Company is an “**unlisted issuer**” in terms of the SEBI (ICDR) Regulations, 2018 and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations, 2018.

Our Company is eligible in terms of Regulation 228, 229(1) and 230 of SEBI (ICDR) Regulations, 2018 and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018, Our Company is eligible for the Issue in accordance with Regulation 229(1) of the SEBI (ICDR) Regulations, 2018 and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018, as we are an Issuer whose post issue paid up capital shall not be more than ₹ 25.00 Crores and we may hence, Issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the “SME Platform of BSE Limited”).

We confirm that:

In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue is 100% underwritten and that the Book Running Lead Manager to the Issue shall underwrite minimum 15% of the total issue size. For further details pertaining to said underwriting please refer to chapter titled “**General Information-Underwriting**” beginning on page 46 of this Draft Red Herring Prospectus.

In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, 2018, we hereby confirm that we will enter into an agreement with the Book Running Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of Equity Shares in this Issue on the SME Platform of BSE Limited. For further details of the arrangement of market making please refer to chapter titled “**General Information**” beginning on page 46 and details of the Market Making Arrangements for this please refer to chapter titled “**The Issue**” beginning on page 44 of this Draft Red Herring Prospectus.

In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight working days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight working days, be liable to repay such application money, with an interest at the rate as prescribed under SEBI (ICDR) Regulations 2018, the Companies Act, 2013 and applicable laws. 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.

As per Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, our Company satisfies track record and / or other eligibility conditions of SME Platform of BSE Limited in accordance with the Restated Financial Statements, prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations as below:

1. Our Company was incorporated on March 22, 2017 with the Registrar of Companies, Central Registration Centre under the Companies Act, 2013 in India.
2. Our Company is engaged in the process of manufacturing an extensive array of Air Coolers and Electric Geysers
3. The Paid-up Capital of the Company is ₹ 525.07 Lakh comprising 52,50,795 equity shares.
4. The Post Issue Paid up Capital (Face Value) of the company will be ₹ [●] Lakh comprising [●] Equity Shares.
5. The Net worth, Cash Accruals and Net Tangible Assets of the Company as per the Restated Financial Statements of our Company for the stub period ended on August 31, 2022 and the financial years ended on March 31, 2022, March 31, 2021 and March 31, 2020 are as set forth below:

(₹ in Lakhs)

| Particulars | For stub period ended on | For financial year ended on | | |
|------------------------------------|--------------------------|-----------------------------|----------------|----------------|
| | August 31, 2022 | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| Networth ⁽¹⁾ | 602.88 | 502.43 | 241.77 | 293.40 |
| Cash Accruals ⁽²⁾ | 169.17 | 153.84 | 81.44 | 92.62 |
| Net Tangible Assets ⁽³⁾ | 600.63 | 499.37 | 241.78 | 293.40 |

⁽¹⁾ 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.

⁽²⁾ Cash accruals has been defined as the Earnings before depreciation and tax from operations.

⁽³⁾ *Net Tangible Assets are defined as the sum of total fixed assets plus current assets minus current liabilities minus intangible assets*

6. Our Company has facilitated trading in demat securities and has entered into an agreement with both the depositories. Our Company has entered into an agreement with Central Depository Services Limited (CDSL) dated November 30, 2022 and National Securities Depository Limited (NSDL) dated November 25, 2022 for dematerialization of its Equity Shares already issued and proposed to be issued.
7. The Company has not been referred to Board for Industrial and Financial Reconstruction.
8. Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.
9. None of the Directors of our Company have been categorized as a Wilful Defaulter or fraudulent borrowers.
10. There is no winding up petition against the Company, which has been admitted by a court of competent jurisdiction or liquidator has not been appointed.
11. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
12. There has been no change in the promoter(s) having significant change in control over the affairs of the Company in the one year preceding the date of filing application to BSE for listing on SME Platform of BSE Limited.
13. The Company has a website www.comrade.net.in.

We further confirm that we shall be complying with all other requirements as laid down for such Issue 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.

We further confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of BSE Limited.

COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS, 2018

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations, 2018. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, 2018, with respect to the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE BOOK RUNNING LEAD MANAGER, GRETEX CORPORATE SERVICES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE BOOK RUNNING LEAD MANAGER, GRETEX CORPORATE SERVICES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 27, 2023. THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34, SECTION 35, SECTION 36 AND SECTION 38 (1) OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/ OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT

TO TAKE UP AT ANY POINT OF TIME, WITH THE BRLM ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENTS/ OFFER DOCUMENTS.

Note:

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under sections 34, 35 and 36(1) of 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 this Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai in terms of Section 26 & 32 of the Companies Act, 2013.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, its Directors and the BRLM 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 agreement entered between the BRLM (Gretex Corporate Services Limited) and our Company on January 28, 2023 and the Underwriting Agreement dated January 28, 2023 entered into between the Underwriters and our Company and the Market Making Agreement dated January 28, 2023 entered into among the Market Maker and our Company.

All information shall be made available by our Company and the BRLM 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 BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, and our affiliates or associates, for which they have received and may in future receive compensation.

Note: Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the 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.

CAUTION

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.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER

For details regarding the price information and track record of the past issue handled by M/s. Gretex Corporate Services Limited, as specified in Circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015 issued by SEBI, please refer Annexure A to this Draft Red Herring Prospectus and the website of the Book Running Lead Manager at www.gretexcorporate.com.

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, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their

constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, AIFs 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. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase 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 him 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 Mumbai, Maharashtra, only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed at SME Platform of BSE Limited for its observations and BSE will give its observations in due course. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE SME PLATFORM OF BSE LIMITED

BSE Limited ("BSE") has vide its letter dated [●] given permission to "Comrade Appliances Limited" to use its name in the Offer Document as the Stock Exchange on whose Small and Medium Enterprises Platform ("SME Platform") the Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company's securities will be listed on completion of Initial Public Offering or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its Promoter, its management or any scheme or project of this Company.
- iv. warrant, certify, or endorse the validity, correctness or reasonableness of the price at which the Equity Shares are offered by the Company and investors are informed to take the decision to invest in the Equity Shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the Equity Shares are offered by the Company is determined by the Company in consultation with the Merchant Banker to the Issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.

- vi. The Company has chosen the SME Platform on its own initiative and its own risk, and is responsible for complying with local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE / other regulatory authority. Any use of the SME Platform and the related services are subject to Indian laws and courts exclusively situated in Mumbai.

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 Issued 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 Issued and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those Issues and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and 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.

FILING

The Draft Red Herring Prospectus is being filed with BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001, Maharashtra, India. The Draft Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the 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 Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus/ Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered for filing to the Registrar of Companies, 100, Everest, Marine Drive, Mumbai-400002, Maharashtra.

LISTING

Application have been made to SME Platform of BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the issue on its SME Platform of BSE Limited after the allotment in the Issue. BSE is 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 of BSE Limited is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within such time prescribed by SEBI or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE Limited mentioned above are taken within 6 Working Days of the Issue Closing Date.

The Company has obtained approval from BSE vide letter dated [●] to use the name of BSE in this issue document for listing of equity shares on SME Platform of BSE Limited.

IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of Section 38(1) of the Companies Act, 2013 which is reproduced below:

Any person who-

- *Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- *Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- *Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable to action under Section 447 of the Companies, Act 2013.*

CONSENTS

Consents in writing of (a) Our Directors, Promoters, Company Secretary & Compliance Officer, Chief Financial Officer, Peer Review Auditor and Statutory Auditor, Key Managerial Personnel, Book Running Lead Manager, Underwriters, Market Maker, syndicate member, Registrar to the Issue, and Legal Advisor to the Issue to act in their respective capacities shall be obtained as required as required under Section 26 & 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the ROC. Our Statutory Auditor holding Peer Reviewed Certificate has given their written consent to the inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus and such consent and report shall not be withdrawn up to the time of delivery of the Prospectus for filing with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, M/s. N B T & Co., Peer Review Auditor and Statutory 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 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.

EXPERT TO THE ISSUE

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

- Report of the Statement of Possible of Tax Benefits.
- Report of the Auditor on the Restated Financial Statements of our Company for the stub period ended on August 31, 2022 and the financial years ended on March 31, 2022, March 31, 2021 and March 31, 2020 of our Company dated February 17, 2023.

EXPENSES TO THE ISSUE

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For details of total expenses of the Issue, refer to chapter “**Objects of the Issue**” beginning on page 79 of this Draft Red Herring Prospectus.

DETAILS OF FEES PAYABLE

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Mandate Letter issued by our Company to the Book Running Lead Manager, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated January 28, 2023 a copy of which is available for inspection at our Registered Office. The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, and stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post / speed post / under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor and Advertiser, etc. will be as per the terms of their respective engagement letters if any.

UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Underwriters. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned in accordance with Section 40 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rule, 2013.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE THE INCORPORATION

We have not made any previous rights and / or public issues since incorporation and are an **“Unlisted Issuer”** in terms of the SEBI (ICDR) Regulations, 2018 and this Issue is an **“Initial Public Offering”** in terms of the SEBI (ICDR) Regulations, 2018.

CAPITAL ISSUES IN THE LAST THREE (3) YEARS BY LISTED GROUP COMPANIES / SUBSIDIARY / ASSOCIATES

None of our Group Company / Associates that are listed on any Stock Exchange has made any Capital Issue in the last three (3) years. We do not have any subsidiary as on date of this Draft Red Herring Prospectus.

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled **“Capital Structure”** beginning on page 59 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since this is the Initial Public Offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES 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.

None of the equity shares of Companies under same management are listed on any recognized stock exchange. None of the above companies have raised any capital during the past 3 years.

PROMISE VERSUS PERFORMANCE FOR OUR COMPANY

Our Company is an **“Unlisted Issuer”** in terms of the SEBI (ICDR) Regulations, 2018, and this Issue is an **“Initial Public Offering”** in terms of the SEBI (ICDR) Regulations, 2018. Therefore, data regarding promise versus performance is not applicable to us.

LISTED SUBSIDIARY / PROMOTER

We do not have any listed Subsidiary or Promoter Company as on date of this Draft Red Herring Prospectus.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of this Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an “*Unlisted Issuer*” in terms of the SEBI (ICDR) Regulations, 2018, and this Issue is an “*Initial Public Offering*” in terms of the SEBI (ICDR) Regulations, 2018. Thus, there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Agreement between the Registrar and Our Company provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and unblocking of funds to enable the investors to approach the Registrar to this Issue for redressal of their grievances. All grievances relating to this Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA applicants.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company has appointed Bigshare Services Private Limited as the Registrar to the Issue to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue will handle investor’s grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-ordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process may be addressed to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted the Stakeholders Relationship Committee of the Board *vide* resolution passed at the Board Meeting held on January 02, 2023. For further details, please refer to the chapter titled “*Our Management*” beginning on page 121 of this Draft Red Herring Prospectus.

Our Company has appointed **Ms. Kiran Tilwani** as Company Secretary and Compliance Officer and he may be contacted at the following address:

Ms. Kiran Tilwani

Shop No. 39, Ground Level I, Dewan Centre,
183-186, S.V. Road, Jogeshwari West,
Mumbai – 400102, Maharashtra, India.

Tel: 022-66959545

Email: cs@comrade.net.in

Website: www.comrade.net.in

Investors can contact the Company Secretary and 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 or unblocking of funds, etc.

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

None of our Group Companies / Associates / Subsidiary are listed on any Stock Exchange as on the date of filing this Draft Red Herring Prospectus.

CAPITALISATION OF RESERVES OR PROFITS

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page 59 of this Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits during the last five years.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

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 150 of this Draft Red Herring Prospectus.

PURCHASE OF PROPERTY

Other than as disclosed in this 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 this Draft Red Herring Prospectus.

Except as stated elsewhere in this Draft Red Herring Prospectus, our Company has not purchased any property in which the Promoter and / or Directors have any direct or indirect interest in any payment made there under.

SERVICING BEHAVIOR

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 under sections titled “*Our Management*” and “*Related Party Transactions*” beginning on pages 121 and 142 respectively of this 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 PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our company has not applied or received any exemption from complying with any provisions of securities laws by SEBI.

SECTION XI: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue shall be subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, SEBI (LODR) Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Application Form, any Revision Form, the CAN / Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents / certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange(s), the RBI, RoC and / or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchange(s), the RoC and / or any other authorities while granting its approval for the Issue.

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 (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019 and circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars issued by SEBI in this regard, SEBI has introduced an alternate payment mechanism using Unified Payments Interface (UPI) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIIs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("UPI Phase I"). The UPI Phase I was effective till June 30, 2019. With effect from July 1, 2019, with respect to Application by retail individual investors through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applicants with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("UPI Phase II"). Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by retail individual investors ("UPI Phase III"), as may be prescribed by SEBI.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

AUTHORITY FOR THE PRESENT ISSUE

This Issue has been authorized by a resolution of our Board of Directors passed at their meeting held on December 15, 2022, subject to the approval of shareholders through a special resolution to be passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the General Meeting. The shareholders have authorized the Issue by a Special Resolution in accordance with Section 62(1)(c) of the Companies Act, 2013 passed at the Extra Ordinary General Meeting of our Company held on December 20, 2022.

RANKING OF EQUITY SHARES

The Equity Shares being issued shall be subject to the provisions of the Companies Act, and our MoA and AoA and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividends and other corporate benefits, if any, declared by us after the date of Allotment. The Allottees, upon Allotment of Equity Shares under this Issue, will be entitled to receive dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to section titled, '**Main Provisions of Article of Association**', beginning on page 230 of this Draft Red Herring Prospectus.

MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013, Article of Association, the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 any other rules, regulations or guidelines as may be issued by Government of India in connection there to and as per the recommendation by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividend, in cash

as per the provisions of the Companies Act and our Articles of Association. For further details in relation to dividends, please refer to sections titled, '*Dividend Policy*' and '*Main Provisions of Article of Association*', beginning on page 148 and 230 respectively, of this Draft Red Herring Prospectus.

FACE VALUE AND ISSUE PRICE

The face value of the share of our Company is ₹ 10.00 per equity share and the issue and the Issue Price at the lower end of the Price Band is ₹ [●] per Equity Share ("Floor Price") and at the higher end of the Price Band is ₹ [●] per Equity Share ("Cap Price"). The 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 Mumbai edition of [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company and in consultation with the BRLM, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

The Issue Price is determined by our Company in consultation with the Book Running Lead Manager and is justified under the Section titled, '*Basis for Issue Price*', beginning on page 84 of this Draft Red Herring Prospectus.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

COMPLIANCE WITH ICDR REGULATIONS

Our Company shall comply with all requirements of the ICDR Regulations, as amended time to time.

COMPLIANCE WITH DISCLOSURE AND ACCOUNTING NORMS

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the AoA, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive annual reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act, 2013;
- Right to receive Issue 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, subject to applicable laws, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, as may be applicable, terms of the Listing Regulations and the MoA and AoA of our Company.

For further details on the main provision of our Company's AoA dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and / or consolidation / splitting, etc., please refer to Section titled, '*Main Provisions of the Articles of Association*', beginning on page 230 of this Draft Red Herring Prospectus.

MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. As per the existing ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form for all Applicants. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated November 25, 2022 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated November 30, 2022 between CDSL, our Company and Registrar to the Issue.

The ISIN no of the company is INE0NXA01015

MARKET LOT AND TRADING LOT

Trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular no. CIR/MRD/DSA/06/2012 dated February 21, 2012 and the same may be modified by BSE from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful Applicants. Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakhs per application.

MINIMUM NUMBER OF ALLOTTEES

In accordance with the Regulation 268 of 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 monies blocked by the SCSBs shall be unblocked within 4 Working Days of closure of Issue.

JOINT HOLDERS

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013, the First / Sole 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 this section shall upon the production of such evidence as may be required by the Board of Directors, 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, our Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board of Directors may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the Applicants require changing the nomination, they are requested to inform their respective Depository Participant.

WITHDRAWAL OF THE ISSUE

In accordance with the SEBI (ICDR) Regulations, our Company, in consultation with BRLM, reserves the right not to proceed with this issue at any time after the Issue Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Offer Document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non-Retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

ISSUE PROGRAM

| | |
|---|---|
| Bid/Issue Opens on | ● |
| Bid/Issue Closes on | ● |
| 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 ¹Our 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

²Our Company in consultation with the BRLM, 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 (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date on which the request for cancellation / withdrawal / deletion is placed in the Stock Exchanges Applying platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Applicant shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Application Amount, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted / partially allotted Application, exceeding four Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The post Issue LM shall be liable for compensating the Applicant at a uniform rate of ₹ 100 per day or 15% per annum of the Application Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs to the extent applicable.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 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 BSE SME taking into account the total number of applications received up to the closure of timings.

On the Bid/ Issue Closing Date, the Bids shall be uploaded until:

- (i) 4.00 P.M. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 P.M. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Retail Individual Bidders.

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/Issue Closing Date, Applicants are advised to submit their applications 1(one) day prior to the 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. Applicants are cautioned that, in the event a large number of Bid-Cum-Application Forms are received on the Issue Closing Date, as is typically experienced in public issue, some Bid-Cum-Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum-Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Bid-Cum-Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the Book Running Lead Manager 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 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 Investors can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Investors, 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 Application Form, for a particular Applicant, the details as per the file received from SME platform of BSE Limited may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant 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 any revision to the Price Band, the Bid/ Issue Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/ Issue Period not exceeding a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid/ Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchange, by issuing a public notice, and also by indicating the change on the respective websites of the BRLM and the terminals of the Syndicate Members, if any and by intimation to

SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

MINIMUM SUBSCRIPTION

In accordance with Regulation 260 (1) of ICDR Regulations, this Issue is 100% underwritten, so this Issue is not restricted to any minimum subscription level .

As per section 39 of the new Companies Act, if the **“stated minimum amount”** has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of Red Herring Prospectus, the Application Amount has to be returned within such period as may be prescribed.

If our Company does not receive the subscription of 100% of the Issue through this Offer document including devolvement of Underwriters, our Company shall forthwith unblock the entire subscription amount received. If there is a delay beyond 8 days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under section 73 of the Companies Act, 2013 and applicable law.

In accordance with Regulation 260 (1) of the SEBI ICDR Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the Issue through this 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 ₹ 1.00 Lakhs (Rupees One Lakhs) per application.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI Circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261 (5) of the ICDR Regulations, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME platform of BSE Limited.

APPLICATION BY ELIGIBLE NRIS, FPIS / FIIS REGISTERED WITH SEBI, VCFS REGISTERED WITH SEBI AND ELIGIBLE QFIS

It is to be understood that there is no reservation for Eligible NRIs or FPIs / FIIs registered with SEBI or VCFs or Eligible QFIs. Such Eligible NRIs, Eligible QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of allocation.

NRIs, FPIs / FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public issue without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (“FDI”) Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

The 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.

AS PER THE EXTANT POLICY OF THE GOVERNMENT OF INDIA, OCBs CANNOT PARTICIPATE IN THIS ISSUE.

As per the existing regulations, OCBs are not eligible to participate in this 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 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 03, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for Equity Share allocation.

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 Promoters minimum contribution in the Issue as detailed in the Section titled, '*Capital Structure*', beginning on page 59 of this Draft Red Herring Prospectus, and except as provided in the AoA of our Company, there are no restrictions on transfer and transmission and on their consolidation / splitting of Equity Shares. For further details, please refer to the Section titled, '*Main Provisions of the Articles of Association*', beginning on page 230 of this Draft Red Herring Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the Applicants of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this 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.

NEW FINANCIAL INSTRUMENTS

As on the date of this Draft Red Herring Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue.

ALLOTMENT OF EQUITY SHARES IN DEMATERIALIZED FORM

In accordance with the 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

BSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of BSE Limited for a minimum period of two years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations, 2018.

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of BSE from the SME Platform of BSE Limited on a later date subject to the following:

- If the Paid-up Capital of the Company is likely to increase above ₹ 25.00 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoters shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.
- If the Paid-up Capital of the Company is more than ₹ 10.00 crores but below ₹ 25.00 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than Promoters shareholders against the proposal.

MARKET MAKING

The Equity Shares offered through this Issue are proposed to be listed on the SME Platform of BSE Limited, wherein the Market Maker to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME

platform of BSE for a minimum period of 3 years from the date of listing on the SME Platform of BSE Limited. For further details of the agreement entered into between our Company, the Book Running Lead Manager and the Market Maker please refer to Section titled, '*General Information - Details of the Market Making Arrangements for this Issue*', beginning on page 46 of this Draft Red Herring Prospectus.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Mumbai, Maharashtra, India.

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 Issued or sold within the United States to, or for the account or benefit of "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from or in a transaction not subject to, registration requirements of the U.S. Securities Act and applicable U.S. state Securities laws. Accordingly, the Equity Shares are only being Issued or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(1) of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, our Company's post issue face value capital is more than ten crore rupees and upto twenty-five crore rupees. Our Company shall issue equity shares to the public and propose to list the same on the SME platform of BSE Limited. For further details regarding the salient features and terms of such this issue, please refer to chapter titled **"Terms of the Issue"** and **"Issue Procedure"** beginning on page 189 and 201 respectively of this Draft Red Herring Prospectus.

Initial Public Offer of upto 19,08,000 Equity Shares of face value of ₹ 10.00 each fully paid for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs.

The Issue comprises a reservation of Upto 96,000 Equity Shares of face value of ₹ 10.00 each fully paid for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs for subscription by the designated Market Maker (Market Maker Reservation Portion) and a Net Issue to Public upto 18,12,000 Equity Shares of face value of ₹ 10.00 each fully paid for cash at price of ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs (the Net Issue). The Issue and the Net Issue will constitute 26.65% and 25.31% respectively of the Post Issue Paid-up Equity Share Capital of the Company.

| Particulars of the Issue ⁽²⁾ | Market Maker Reservation Portion | QIBs ⁽¹⁾ | Non-Institutional Investors | Retail Individual Investors |
|--|----------------------------------|--|--|---|
| Number of Equity Shares available for allocation | [●] Equity Shares | Not more than [●] Equity Shares | Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders. | Not less than [●] Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders. |
| Percentage of Issue Size available for allocation | 5.03 % 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 Issue less allocation to QIB Bidders and RIBs will be available for allocation. | Not less than 35% of the Issue less allocation to QIBs and Non-Institutional Bidders will be available for allocation |
| Basis of Allotment ⁽³⁾ | 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 | Allotment to each Non-Institutional Bidder shall not be less than the Minimum NIB Application Size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining | Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall |

| | | | | |
|--------------------------|--|--|--|---|
| | | <p>Funds only; and Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocations as per (a) above.</p> <p>Up to 60% of the QIB Portion (of up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation</p> <p>(b) Price</p> | <p>Equity Shares, if any, shall be allotted on a proportionate basis. For details, see “Issue Procedure” beginning on page 201 of this Draft Red Herring Prospectus.</p> | <p>be allotted on proportionate basis. For details, see “Issue Procedure” beginning on page 201 of this Draft Red Herring Prospectus.</p> |
| Mode of Allotment | Compulsorily in dematerialized form. | | | |
| Minimum Bid Size | [●] Equity Shares | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000 | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000 | [●] Equity Shares |
| Maximum Bid Size | [●] Equity Shares | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue (excluding the QIB portion), subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000 |
| Trading Lot | [●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. | [●] Equity Shares and in multiples thereof | [●] 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 ⁽⁴⁾ | | | |
| 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 |

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

- 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.
- 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.
- 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.
- 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.

The Bids by FPIs with certain structures as described under “**Issue Procedure** - Bids by FPIs” on page 201 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

WITHDRAWAL OF THE ISSUE

In accordance with the SEBI (ICDR) Regulations, our Company in consultation with Book Running Lead Manager, reserves the right not to proceed with this issue at any time after the Issue Opening Date, but before our Board meeting for Allotment without assigning reasons thereof.

If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification.

In case our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Offer Document with the Stock Exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final Listing and Trading Approval of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, Non-Retail Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

JURISDICTION

Exclusive jurisdiction for the purpose of this issue is with the competent courts / authorities at Mumbai, Maharashtra.

ISSUE PROGRAMME

| | |
|---------------------------|-----|
| Issue Opening Date | [•] |
| Issue Closing Date | [•] |

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.

Applications 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 at the Application Centers mentioned in the Bid-Cum- Application Form.

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

- A standard cut-off time of 3.00 P.M. for acceptance of applications.
- A standard cut-off time of 4.00 P.M. for uploading of applications received from other than retail individual applicants.
- 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 BSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to BSE within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid-Cum-application form of that Bidder may be taken as the final data for the purpose of allotment.

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL1/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI 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.

Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, 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

Subsequently, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). The BRLM shall be the nodal entity for any issues arising out of public issuance process.

Please note that the information stated / covered in this section may not be complete and / or accurate and as such would be subject to modification / change. Our Company and Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Book Running Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Red Herring Prospectus.

This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Application Amount along with the Bid Cum Application Form.

PHASED IMPLEMENTATION OF UPI FOR BIDS BY RETAIL INDIVIDUAL BIDDERS AS PER THE UPI CIRCULAR

SEBI has issued circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 and circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the “UPI Circulars”) in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by 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 payment mechanism, the UPI Circular proposes to introduce and implement the UPI payment mechanism in three phases in the following manner:

Phase I: This phase was 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 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 still, 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 RIBs 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.

Pursuant to the SEBI UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the SEBI UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked not later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints in this regard, the relevant SCSB as well as the post – issue BRLM will be required to compensate the concerned investor.

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 payment mechanism.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks make an application as prescribed in Annexure I of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Further, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders applying in public Offers where the application amount is up to ₹ 500,000 shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- a syndicate member
- 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”)
- a depository participant (“DP”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

- a registrar to the issue and shares transfer agent (“RTA”) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

For further details, refer to the General Information Document to be available on the website of the Stock Exchange and the BRLM’s.

BOOK BUILDING PROCEDURE

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(1) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process.

The allocation to the public will be made as per Regulation 253 of SEBI ICDR Regulations, 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.

Accordingly, we have allocated the Net Issue i.e., not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders and not less than 15% of the Net Issue shall be available for allocation to Non institutional bidders and not more than 50% of the Net Issue shall be allocated on a proportionate basis to QIBs.

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.

Bidders should note that the Equity Shares will be allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and will be rejected. Eligible Employees Bidding in the Employee Reservation Portion Bidding using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification dated February 13, 2020 issued by the Central Board of Direct Taxes and the press release dated June 25, 2021.

BID CUM APPLICATION FORM

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the Book Running Lead Manager, the Designated Intermediaries, and the Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.

All ASBA Bidders must provide either (i) the bank account details and authorization to block funds in the ASBA Form, or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details will be rejected.

UPI Bidders Bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. Applications made by the UPI Bidder using third party bank account or using third party linked bank account UPI ID are liable for rejection.

UPI Bidders Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, Bidders shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid cum Application Forms) and Bid cum Application Forms not bearing such specified stamp may be liable for rejection.

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 SCSBs or sponsor banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked including details as prescribed in Annexure II of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour of Bid cum Application Form* |
|---|-------------------------------------|
| Anchor Investors¹ | Grey |
| Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis[^] | White |
| Non-Residents including FPIs, Eligible NRIs, FVCIs and registered bilateral and multilateral institutions applying on a repatriation basis [^] | Blue |

*Excluding electronic Bid cum Application Form

[^]Electronic Bid cum Application Form and the abridge prospectus will be made available for download on the website of the stock exchange (www.bseindia.com)

¹ Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLM

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit / deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – “Designated Intermediaries”)

| Sr. No. | Designated Intermediaries |
|---------|--|
| 1. | An SCSB, with whom the bank account to be blocked, is maintained |
| 2. | A syndicate member (or sub-syndicate member) |
| 3. | A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’) |
| 4. | A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity) |
| 5. | A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

Retails investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|--|---|
| For Applications submitted by Investors to SCSB: | 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. |
| For applications submitted by investors to intermediaries other than SCSBs: | 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. |
| For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment: | After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. 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. |

The Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit / deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with BSE Circular No: 20220803-40 and NSE Circular No: 25/2022, each dated August 3, 2022, for all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid / Issue Closing Date ("Cut-Off Time"). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut- off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid / Issue Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank and the Bankers to the Issue. The BRLMs shall also be required to obtain the audit trail from the Sponsor Bank and the Bankers to the Issue for analysing the same and fixing liability.

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 BSE (www.bseindia.com) at least one day prior to the Bid / Issue Opening Date.

Bid cum application for Anchor Investor shall be made available at the Office of the 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:

- 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);
- 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 Kartal. Applications by HUFs would be considered at par with those from individuals;
- 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;
- Mutual Funds registered with SEBI;
- 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;
- 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);
- FPIs other than Category III FPI; VCFs and FVCIs registered with SEBI;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional Bidder 's category;
- Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- Foreign Venture Capital Investors registered with the SEBI;
- 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;
- Scientific and / or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds and Pension Funds with minimum corpus of ₹ 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- 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;
- Multilateral and bilateral development financial institution;
- Eligible QFIs;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India;
- 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:

- Minors (except through their Guardians)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue

provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Retail Individual Bidders

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹ 2,00,000/-. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹ 2,00,000/-.

2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000/- and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000/- for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the 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 Mumbai 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 Mumbai 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 201 of this Draft Red Herring Prospectus.
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal / failure of the 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 NRIS:

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary (“NRO”) accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

BIDS BY FPI INCLUDING FII'S:

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this 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 Issue, 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:

- 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;
- 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
- 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 ₹ 25.00 Crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25.00 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 ₹ [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment Mechanism

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal / rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal / failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

Payment into Escrow Account for Anchor Investors

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the Book Running Lead Manager, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. 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: — “Escrow Account Comrade Appliances Limited Anchor Investor – R”
- b) In case of Non-Resident Anchor Investors: — “Escrow Account Comrade Appliances Limited Anchor Investor – 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 Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to;
 - (i) The applications accepted by any Designated Intermediaries
 - (ii) The applications uploaded by any Designated Intermediaries or
 - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

| Sr. No. | Details* |
|---------|-------------------|
| 1. | Symbol |
| 2. | Intermediary Code |
| 3. | Location Code |
| 4. | Application No. |
| 5. | Category |
| 6. | PAN |
| 7. | DP ID |
| 8. | Client ID |
| 9. | Quantity |
| 10. | Amount |

*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into 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 Promoters, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid / Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Bid / Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Build of the Book

- a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid / Issue Period.
- b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the 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 finalise 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 Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an undersubscription applicable to the Issuer, Bidders may refer to the RHP.
- e) In case if the 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

Our company has entered into an Underwriting Agreement dated January 28, 2023.

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 26 & 32 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 ICDR 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.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only.
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹ 2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the 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

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.

GROUNDS OF TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the DRHP;
- The amounts mentioned in the Bid cum Application Form / Application Form does not tally with the amount payable for the value of the Equity Shares Bid / Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the DRHP;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest / money order / postal order / cash / cheque / demand draft / pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid / 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 numbers.
- 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 GID.

BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

BASIS OF ALLOCATION

- 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.
- 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.
- In case of under subscription in the issue, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Retail Individual Investors 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 BSE SME (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 BSE.

The Executive Director / Managing Director of BSE - 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 transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment / or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 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 and NSE i.e., 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 front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e., www.bseindia.com and NSE i.e., 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 front the Depository the demographic details

including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Bid Cum Application Form:

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

Communications:

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay:

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE SME 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 Closure date.
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the 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 Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. The 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 November 25, 2022 between NSDL, the Company and the Registrar to the Issue;
- b. Tripartite Agreement dated November 30, 2022 between CDSL, the Company and the Registrar to the Issue;
- c. The Company's equity shares bear an International Securities Identification Number INE0NXA01015.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The responsibility of granting approval for foreign investment under the Consolidated FDI Policy and FEMA has been entrusted to the concerned ministries / departments.

The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which is effective from October 15, 2020 (the “FDI Policy”), which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors / activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For details, see “**Key Industry Regulations and Policies**” on page no. 112 of this Draft Red Herring Prospectus.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that: (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations, (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction / purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Each Applicant should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Applicant shall intimate our Company and the Registrar to the Issue in writing about such approval along with a copy thereof within the Issue Period.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a) of the U.S. Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION XII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**THE COMPANIES ACT 2013
(Incorporated under Companies Act, 2013)****COMPANY LIMITED BY SHARES****ARTICLES OF ASSOCIATION****OF****COMRADE APPLIANCES LIMITED*
(Formerly known as Comrade Appliances Private Limited)**

Pursuant to Schedule I of the Companies Act, 2013 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.

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| 1. | No regulation contained in Table “F” in the First Schedule to Companies Act, 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013 or any amendment thereto. | Table F Applicable. |
| | Interpretation Clause | |
| 2. | In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context: | |
| | (a) "The Act" means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force. | Act |
| | (b) "These Articles" means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution. | Articles |
| | (c) "Auditors" means and includes those persons appointed as such for the time being of the Company. | Auditors |
| | (d) "Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company. | Capital |
| | (e) *"The Company" shall mean ' Comrade Appliances Limited ' | |
| | (f) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963. | Executor or Administrator |
| | (g) "Legal Representative" means a person who in law represents the estate of a deceased Member. | Legal Representative |
| | (h) Words importing the masculine gender also include the feminine gender. | Gender |

**1. In the extra ordinary General Meeting of shareholder held on November 10, 2022, special resolution has been passed for adoption of new set of Article of association which is applicable to Public Company as per Company Act, 2013. Earlier set of Articles of Association appended after these new set of Article of Association.*

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| | (i) "In Writing" and "Written" includes printing lithography and other modes of representing or reproducing words in a visible form. | In Writing and Written |
| | (j) The marginal notes hereto shall not affect the construction thereof. | Marginal notes |
| | (k) "Meeting" or "General Meeting" means a meeting of members. | Meeting or General Meeting |
| | (l) "Month" means a calendar month. | Month |
| | (m) "Annual General Meeting" means a General Meeting of the Members held in accordance with the provision of section 96 of the Act. | Annual General Meeting |
| | (n) "Extra-Ordinary General Meeting" means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof. | Extra-Ordinary General Meeting |
| | (o) "National Holiday" means and includes a day declared as National Holiday by the Central Government. | National Holiday |
| | (p) "Non-retiring Directors" means a director not subject to retirement by rotation. | Non-retiring Directors |
| | (q) "Office" means the registered Office for the time being of the Company. | Office |
| | (r) "Ordinary Resolution" and "Special Resolution" shall have the meanings assigned thereto by Section 114 of the Act. | Ordinary and Special Resolution |
| | (s) "Person" shall be deemed to include corporations and firms as well as individuals. | Person |
| | (t) "Proxy" means an instrument whereby any person is authorized to vote for a member at | Proxy |
| | General Meeting or Poll and includes attorney duly constituted under the power of attorney. | |
| | (u) "The Register of Members" means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act. | Register of Members |
| | (v) "Seal" means the common seal for the time being of the Company. | Seal |
| | (w) Words importing the Singular number include where the context admits or requires the plural number and vice versa. | Singular number |
| | (x) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company. | Statutes |
| | (y) "These presents" means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time. | These presents |
| | (z) "Variation" shall include abrogation; and "vary" shall include abrogate. | Variation |
| | (aa) "Year" means the "Financial Year" shall have the meaning assigned thereto by Section 2(41) of the Act. | Year and Financial Year |
| | Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force. | Expressions in the Act to bear the same meaning in Articles |
| | CAPITAL | |
| 3. | The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time. | Authorized Capital. |
| 4. | The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act. | Increase of capital by the Company how carried into effect |
| 5. | Except so far as otherwise provided by the conditions of issue or by these Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise. | New Capital same as existing capital |

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| 6. | The Board shall have the power to issue a part of authorized capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force. | Non-Voting Shares |
| 7. | Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit. | Redeemable Preference Shares |
| 8. | The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares. | Voting rights of preference shares |
| 9. | On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect: (a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption; (b) No such Shares shall be redeemed unless they are fully paid; (c) Subject to section 55(2)(d)(i) the premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed; (d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 55 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and (e) Subject to the provisions of Section 55 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorized Share Capital | Provisions to apply on issue of Redeemable Preference Shares |
| 10. | The Company may (subject to the provisions of sections 52, 55, 66, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account In any manner for the time being, authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted. | Reduction of capital |
| 11. | Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution. | Debentures |
| 12. | The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder. | Issue of Sweat Equity Shares |
| 13. | The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called. | ESOP |
| 14. | 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 |
| 15. | Subject to the provisions of Section 61 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) | Consolidation, Sub-Division And Cancellation |

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| | of sub-section (1) of Section 61; Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. | |
| 16. | Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue depository receipts in any foreign country. | Issue of Depository Receipts |
| 17. | Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder. | Issue of Securities |
| | MODIFICATION OF CLASS RIGHTS | |
| 18. | (a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting. Provided that if variation by one class of shareholders affects the rights of any other class of shareholders, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this section shall apply to such variation. | Modification of rights |
| | (b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking paripassu therewith. | New Issue of Shares not to affect rights attached to existing shares of that class. |
| 19. | Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. | Shares at the disposal of the Directors. |
| 20. | The Company may issue shares or other securities in any manner whatsoever including by way of a preferential offer, to any persons whether or not those persons include the persons referred to in clause (a) or clause (b) of sub-section (1) of section 62 subject to compliance with section 42 and 62 of the Act and rules framed thereunder. | Power to issue shares on preferential basis. |
| 21. | The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished. | Shares should be Numbered progressively and no share to be subdivided. |
| 22. | An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member. | Acceptance of Shares. |
| 23. | Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid. | Directors may allot shares as full paid-up |

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| 24. | The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them shall become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly. | Deposit and call etc. to be a debt payable immediately. |
| 25. | Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof. | Liability of Members. |
| 26. | Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind. | Registration of Shares. |
| | RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT | |
| 27. | The Board shall observe the restrictions as regards allotment of shares to the public, and as regards return on allotments contained in Sections 39 of the Act | |
| | CERTIFICATES | |
| 28. | <p>(a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.</p> <p>(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Fifty. The Company shall comply with the provisions of Section 39 of the Act.</p> <p>(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.</p> <p>(d) When a new Share certificate has been issued in pursuance of the preceding clause of this Article, it shall state on the face of it and against the stub or counterfoil to the effect that it is —"Issued in lieu of Share Certificate No..... sub-divided/replaced/on consolidation of Shares".</p> | Share Certificates. |
| 29. | If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the | Issue of new certificates in place of those defaced, lost or destroyed. |

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| | <p>Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.</p> <p>The provisions of this Article shall mutatis mutandis apply to debentures of the Company.</p> | |
| 30. | <p>(a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.</p> | The first named joint holder deemed Sole holder. |
| | <p>(b) The Company shall not be bound to register more than three persons as the joint holders of any share.</p> | Maximum number of joint holders. |
| 31. | <p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.</p> | Company not bound to recognise any interest in share other than that of registered holders. |
| 32. | <p>If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by installment, every such installment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.</p> | Installment on shares to be duly paid. |
| | UNDERWRITING AND BROKERAGE | |
| 33. | <p>Subject to the provisions of Section 40 (6) of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.</p> | Commission |
| 34. | <p>The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.</p> | Brokerage |
| | CALLS | |
| 35. | <p>(1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.</p> <p>(2) A call may be revoked or postponed at the discretion of the Board.</p> <p>(3) A call may be made payable by installments.</p> | Directors may make calls |
| 36. | <p>Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.</p> | Notice of Calls |
| 37. | <p>A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.</p> | Calls to date from resolution. |
| 38. | <p>Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.</p> | Calls on uniform basis. |
| 39. | <p>The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the</p> | Directors may extend time. |

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| | residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour. | |
| 40. | If a sum called in respect of the shares is not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest upon the sum at such rate not exceeding 12% per annum or at such lower rate, if any, as the Board may determine, but the Board of Directors shall be at liberty to waive payment of that interest wholly or in part. | Calls to carry interest. |
| 41. | If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly. | Sums deemed to be calls. |
| 42. | On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt. | Proof on trial of suit for money due on shares. |
| 43. | Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided. | Judgment, decree, partial payment motto proceed for forfeiture. |
| 44. | (a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits. (b) No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall mutatis mutandis apply to calls on debentures issued by the Company. | Payments in Anticipation of calls may carry interest |
| | LIEN | |
| 45. | The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause. Provided that the fully paid shares shall be free from all lien, while in the case of partly paid shares, the company's lien, if any, shall be restricted to moneys called or payable at a fixed time in respect of such shares. | Company to have Lien on shares. |
| 46. | For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall | As to enforcing lien by sale. |

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| | have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned. | |
| 47. | The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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. | Application of proceeds of sale. |
| | FORFEITURE AND SURRENDER OF SHARES | |
| 48. | If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force. | If call or installment not paid, notice may be given. |
| 49. | The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited. | Terms of notice. |
| 50. | If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture. | On default of payment, shares to be forfeited. |
| 51. | When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members. | Notice of forfeiture to a Member |
| 52. | Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit. | Forfeited shares to be property of the Company and maybe sold etc. |
| 53. | Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so. | Members still liable to pay money owing at time of forfeiture and interest. |
| 54. | The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved. | Effect of forfeiture. |
| 55. | A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date | Evidence of Forfeiture. |

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| | stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares. | |
| 56. | The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares. | Title of purchaser and allottee of Forfeited shares. |
| 57. | Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto. | Cancellation of share certificate in respect of forfeited shares. |
| 58. | In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable. | Forfeiture may be remitted. |
| 59. | Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively. | Validity of sale |
| 60. | The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit. | Surrender of shares. |
| TRANSFER AND TRANSMISSION OF SHARES | | |
| 61. | (a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee. (b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof. | Execution of the instrument of shares. |
| 62. | The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. Provided that the company shall use a common form of transfer. | Transfer Form. |
| 63. | The Company shall not register a transfer in the Company other than the transfer between persons both of whose names are entered as holders of beneficial interest in the records of a depository, unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law. | Transfer not to be registered except on production of instrument of transfer. |
| 64. | Subject to the provisions of Section 58 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, decline to register- (a) any transfer of shares on which the company has a lien. That registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever; | Directors may refuse to register transfer. |

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| 65. | If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply. | Notice of refusal to be given to transferor and transferee. |
| 66. | No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company. | No fee on transfer. |
| 67. | The Board of Directors shall have power on giving not less than seven days previous notice in accordance with section 91 and rules made thereunder close the Register of Members and/or the Register of debentures holders and/or other security holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board. | Closure of Register of Members or debentureholder or other security holders.. |
| 68. | The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine. | Custody of transfer Deeds. |
| 69. | Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice. | Application for transfer of partly-paid shares. |
| 70. | For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post/speed post/ courier to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post. | Notice to transferee. |
| 71. | (a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only person recognized by the Company as having any title to his interest in the shares. (b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India. Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate (c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons. | Recognition of legal representative. |
| 72. | The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 72 of the Companies Act. | Titles of Shares of deceased Member |
| 73. | Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act. | Notice of application when to be given |
| 74. | Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered | Registration of persons entitled to share otherwise than by transfer. (transmission clause). |

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| | as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'. | |
| 75. | Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse or suspend register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration. | Refusal to register nominee. |
| 76. | Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity. | Board may require evidence of transmission. |
| 77. | The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit. | Company not liable for disregard of a notice prohibiting registration of transfer. |
| 78. | In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognized by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Form no. SH-4 hereof as circumstances permit. | Form of transfer Outside India. |
| 79. | No transfer shall be made to any minor, insolvent or person of unsound mind. | No transfer to insolvent etc. |
| | NOMINATION | |
| 80. | <p>i) Notwithstanding anything contained in the articles, every holder of securities of the Company may, at any time, nominate a person in whom his/her securities shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.</p> <p>ii) No person shall be recognized by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the securities of the Company in the manner specified under Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014</p> <p>iii) The Company shall not be in any way responsible for transferring the securities consequent upon such nomination.</p> <p>iv) If the holder(s) of the securities survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.</p> | Nomination |
| 81. | <p>A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-</p> <p>(i) to be registered himself as holder of the security, as the case may be; or</p> <p>(ii) to make such transfer of the security, as the case may be, as the deceased security holder, could have made;</p> <p>(iii) if the nominee elects to be registered as holder of the security, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased security holder as the case may be;</p> <p>(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the security except that he shall not, before being registered as a member in respect of his security, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.</p> <p>Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.</p> | Transmission of Securities by nominee |

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| | DEMATERIALIZATION OF SHARES | |
| 82. | Subject to the provisions of the Act and Rules made thereunder the Company may offer its members facility to hold securities issued by it in dematerialized form. | Dematerialisation of Securities |
| | JOINT HOLDER | |
| 83. | Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles. | Joint Holders |
| 84. | (a) The Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share. | Joint and several liabilities for all payments in respect of shares. |
| | (b) on the death of any such joint holders the survivor or survivors shall be the only person recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person; | Title of survivors. |
| | (c) Any one of two or more joint holders of a share may give effectual receipts of any dividends or other moneys payable in respect of share; and | Receipts of one sufficient. |
| | (d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall be deemed to be service on all the holders. | Delivery of certificate and giving of notices to first named holders. |
| | SHARE WARRANTS | |
| 85. | The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant. | Power to issue share warrants |
| 86. | (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant. (b) Not more than one person shall be recognized as depositor of the Share warrant. The Company shall, on two day's written notice, return the deposited share warrant to the depositor. | Deposit of share warrants |
| 87. | (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company. (b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company. | Privileges and disabilities of the holders of share warrant |
| 88. | The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction. | Issue of new share warrant coupons |
| | CONVERSION OF SHARES INTO STOCK | |
| 89. | The Company may, by ordinary resolution in General Meeting. a) convert any fully paid-up shares into stock; and b) re-convert any stock into fully paid-up shares of any denomination. | Conversion of shares into stock or reconversion. |
| 90. | The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, the Board may, from time to time, fix the minimum amount of stock transferable so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. | Transfer of stock. |
| 91. | The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of | Rights of stock holders. |

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| | the Company, and other matters, as if they hold the shares for which the stock arose but no such privilege or advantage shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. | |
| 92. | Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall include “stock” and “stockholders” respectively. | Regulations. |
| | BORROWING POWERS | |
| 93. | Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose. | Power to borrow. |
| 94. | Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting. | Issue of discount etc. or with special privileges. |
| 95. | The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charge, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be. | Securing payment or repayment of Moneys borrowed. |
| 96. | Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company. | Bonds, Debentures etc. to be under the control of the Directors. |
| 97. | If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed. | Mortgage of uncalled Capital. |
| 98. | Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surety for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability. | Indemnity may be given. |
| | MEETINGS OF MEMBERS | |
| 99. | All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings. | Distinction between AGM & EGM. |
| 100. | (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of requisition of Members made in compliance with Section 100 of the Act, forthwith proceed to convene Extra-Ordinary General Meeting of the members | Extra-Ordinary General Meeting by Board and by requisition |
| | (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase | When a Director or any two Members may call |

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| | the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra- Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors. | an Extra Ordinary General Meeting |
| 101. | No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened. | Meeting not to transact business not mentioned in notice. |
| 102. | The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting. | Chairman of General Meeting |
| 103. | No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant. | Business confined to election of Chairman whilst chair is vacant. |
| 104. | a) 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. b) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. c) 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. d) 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. | Chairman with his consent may adjourn meeting. |
| 105. | In the case of an equality of votes the Chairman shall both on a show of hands, on a poll (if any) and e-voting, have casting vote in addition to the vote or votes to which he may be entitled as a Member. | Chairman's casting vote. |
| 106. | Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith. | In what case poll taken without adjournment. |
| 107. | The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. | Demand for poll not to prevent transaction of other business. |
| | VOTES OF MEMBERS | |
| 108. | No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands, upon a poll or electronically, or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien. | Members in arrears not to vote. |
| 109. | Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in sub-section (2) of Section 47 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares. | Number of votes each member entitled. |
| 110. | On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses. | Casting of votes by a member entitled to more than one vote. |
| 111. | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, or a minor may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote | Vote of member of unsound mind and of minor |

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| | by proxy. | |
| 112. | Notwithstanding anything contained in the provisions of the Companies Act, 2013, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company. | Postal Ballot |
| 113. | A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. | E-Voting |
| 114. | a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof. b) For this purpose, seniority shall be determined by the order in which the names stand in theregister of members. | Votes of joint members. |
| 115. | Votes may be given either personally or by attorney or by proxy or in case of a company, by arepresentative duly Authorised as mentioned in Articles | Votes may be given by proxy or by representative |
| 116. | A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company. | Representation of a body corporate. |
| 117. | (a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable. | Members paying money in advance. |
| | (b) A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote was taken. | Members not prohibited if share not held for any specified period. |
| 118. | Any person entitled under Article 73 (transmission clause) to transfer any share may vote atany General Meeting in respect thereof in the same manner as if he were the registered holderof such shares, provided that at least forty-eight hours before the time of holding the meeting oradjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof. | Votes in respect of shares of deceased or insolvent members. |
| 119. | No Member shall be entitled to vote on a show of hands unless such member is present personally or by attorney or is a body Corporate present by a representative duly Authorised under the provisions of the Act in which case such members, attorney or representative may vote on a show of hands as if he were a Member of the Company. In the case of a Body Corporate the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such Body Corporate and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment. | No votes by proxy on show of hands. |
| 120. | 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. | Appointment of a Proxy. |
| 121. | An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105. | Form of proxy. |
| 122. | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation | Validity of votes given by proxy notwithstanding death of a member. |

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| | or transfer shall have been received at the office before the meeting or adjourned meeting at which the proxy is used. | |
| 123. | 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. | Time for objections to votes. |
| 124. | Any such objection raised to the qualification of any voter in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive. | Chairperson of the Meeting to be the judge of validity of any vote. |
| | DIRECTORS | |
| 125. | (a) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution (b) Followings are the first directors of the company: 1. KHURSHEED ALAM 2. MEHBOOB ALAM 3. SHAKIR KHAN | Number of Directors |
| 126. | A Director of the Company shall not be bound to hold any Qualification Shares in the Company. | Qualification Shares. |
| 127. | (a) Subject to the provisions of the Companies Act, 2013 and notwithstanding anything to the contrary contained in these Articles, the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement (b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. The said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled. (c) If the Nominee Director/s is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. (d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s. | Nominee Directors. |
| 128. | The Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director. | Appointment of alternate Director. |
| 129. | Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only upto the date of the next Annual General Meeting. | Additional Director |
| 130. | Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director, if the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, who shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him. | Directors power to fill casual vacancies. |
| 131. | Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof. | Sitting Fees. |
| 132. | The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for | Travelling expenses Incurred by Director on |

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| | travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified. | Company's business. |
| | PROCEEDING OF THE BOARD OF DIRECTORS | |
| 133. | (a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit. (b) A director may, and the manager or secretary on the requisition of a director shall, at anytime, summon a meeting of the Board. | Meetings of Directors. |
| 134. | a) The Directors may from time to time elect from among their members a Chairperson of the Board and determine the period for which he is to hold office. If at any meeting of the Board, the Chairman is not present within Fifteen minutes after the time appointed for holding the same, the Directors present may choose one of the Directors then present to preside at the meeting. b) Subject to Section 203 of the Act and rules made there under, one person can act as the Chairman as well as the Managing Director or Chief Executive Officer at the same time. | Chairperson |
| 135. | Questions arising at any meeting of the Board of Directors shall be decided by a majority of votes and in the case of an equality of votes, the Chairman will have a second or casting vote. | Questions at Board meeting how decided. |
| 136. | 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. | Continuing directors may act notwithstanding any vacancy in the Board |
| 137. | Subject to the provisions of the Act, the Board may delegate any of their powers to a Committee consisting of such member or members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person, or purposes, but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board. | Directors may appoint committee. |
| 138. | The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article. | Committee Meeting show to be governed. |
| 139. | a) A committee may elect a Chairperson of its meetings. 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. | Chairperson of Committee Meetings |
| 140. | a) A committee may meet and adjourn as it thinks fit. 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. | Meetings of the Committee |
| 141. | Subject to the provisions of the Act, all acts done by any meeting of the Board or by a Committee of the Board, or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. | Acts of Board or Committee shall be valid notwithstanding defect in appointment. |
| | RETIREMENT AND ROTATION OF DIRECTORS | |
| 142. | Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid. | Power to fill casual vacancy |
| | POWERS OF THE BOARD | |
| 143. | The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other law or by the Memorandum or by the Articles required to | Powers of the Board |

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| | be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. | |
| 144. | Without prejudice to the general powers conferred by the Articles and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the Articles, it is hereby, declared that the Directors shall have the following powers, that is to say | Certain powers of the Board |
| | (1) Subject to the provisions of the Act, to purchase or otherwise acquire any lands, buildings, machinery, premises, property, effects, assets, rights, creditors, royalties, business and goodwill of any person firm or company carrying on the business which this Company is authorised to carry on, in any part of India. | To acquire any property , rights etc. |
| | (2) Subject to the provisions of the Act to purchase, take on lease for any term or terms of years, or otherwise acquire any land or lands, with or without buildings and out-houses thereon, situate in any part of India, at such conditions as the Directors may think fit, and in any such purchase, lease or acquisition to accept such title as the Directors may believe, or may be advised to be reasonably satisfy. | To take on Lease. |
| | (3) To erect and construct, on the said land or lands, buildings, houses, warehouses and sheds and to alter, extend and improve the same, to let or lease the property of the company, in part or in whole for such rent and subject to such conditions, as may be thought advisable; to sell such portions of the land or buildings of the Company as may not be required for the company; to mortgage the whole or any portion of the property of the company for the purposes of the Company; to sell all or any portion of the machinery or stores belonging to the Company. | To erect & construct. |
| | (4) At their discretion and subject to the provisions of the Act, the Directors may pay property rights or privileges acquired by, or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company, and any such share may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. | To pay for property. |
| | (5) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power. | To insure properties of the Company. |
| | (6) To open accounts with any Bank or Bankers and to pay money into and draw money from any such account from time to time as the Directors may think fit. | To open Bank accounts. |
| | (7) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge on all or any of the property of the Company including its whole or part of its undertaking as a going concern and its uncalled capital for the time being or in such manner as they think fit. | To secure contracts by way of mortgage. |
| | (8) To accept from any member, so far as may be permissible by law, a surrender of the shares or any part thereof, on such terms and conditions as shall be agreed upon. | To accept surrender of shares. |
| | (9) To appoint any person to accept and hold in trust, for the Company property belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as may be required in relation to any such trust, and to provide for the remuneration of such trustee or trustees. | To appoint trustees for the Company. |
| | (10) To institute, conduct, defend, compound or abandon any legal proceeding by or against the Company or its Officer, or otherwise concerning the affairs and also to compound and allow time for payment or satisfaction of any debts, due, and of any claims or demands by or against the Company and to refer any difference to arbitration, either according to Indian or Foreign law and either in India or abroad and observe and perform or challenge any award thereon. | To conduct legal proceedings. |
| | (11) To act on behalf of the Company in all matters relating to bankruptcy insolvency. | Bankruptcy & Insolvency |
| | (12) To make and give receipts, release and give discharge for moneys payable to the Company and for the claims and demands of the Company. | To issue receipts & give discharge. |

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| | (13) Subject to the provisions of the Act, and these Articles to invest and deal with any moneys of the Company not immediately required for the purpose thereof, upon such authority (not being the shares of this Company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name. | To invest and deal with money of the Company. |
| | (14) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or as surety, for the benefit of the Company, such mortgage of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, covenants and agreements as shall be agreed upon; | To give Security by way of indemnity. |
| | (15) To determine from time to time persons who shall be entitled to sign on Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purpose, whether by way of a resolution of the Board or by way of a power of attorney or otherwise. | To determine signing powers. |
| | (16) To give to any Director, Officer, or other persons employed by the Company, a commission on the profits of any particular business or transaction, or a share in the general profits of the company; and such commission or share of profits shall be treated as part of the working expenses of the Company. | Commission or share in profits. |
| | (17) To give, award or allow any bonus, pension, gratuity or compensation to any employee of the Company, or his widow, children, dependents, that may appear just or proper, whether such employee, his widow, children or dependents have or have not a legal claim on the Company. | Bonus etc. to employees. |
| | (18) To set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation funds or to insurance fund or to an export fund, or to a Reserve Fund, or Sinking Fund or any special fund to meet contingencies or repay debentures or debenture-stock or for equalizing dividends or for repairing, improving, extending and maintaining any of the properties of the Company and for such other purposes (including the purpose referred to in the preceding clause) as the Board may, in the absolute discretion think conducive to the interests of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as may be required to be invested, upon such investments (other than shares of this Company) as they may think fit and from time to time deal with and vary such investments and dispose of and apply and extend all or any part thereof for the benefit of the Company notwithstanding the matters to which the Board apply or upon which the capital moneys of the Company might rightly be applied or expended and divide the reserve fund into such special funds as the Board may think fit; with full powers to transfer the whole or any portion of a reserve fund or division of a reserve fund to another fund and with the full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the company or in the purchase or repayment of debentures or debenture-stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with the power to the Board at their discretion to pay or allow to the credit of such funds, interest at such rate as the Board may think proper. | Transfer to Reserve Funds. |
| | (19) To appoint, and at their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents and servants, for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties and to fix their salaries or emoluments or remuneration and to require security in such instances and for such amounts they may think fit and also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the next following clauses shall be without prejudice to the general powers conferred by this clause. | To appoint and remove officers and other employees. |
| | (20) At any time and from time to time by power of attorney under the seal of the Company, to appoint any person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorised by the Board the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit, and such appointments may (if the Board think fit) be made in favour of the members or any of the members of any local Board established as aforesaid or in favour of any | To appoint Attorneys. |

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| | Company, or the shareholders, directors, nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of attorney may contain such powers for the protection or convenience for dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegated Attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them. | |
| | (21) Subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. | To enter into contracts. |
| | (22) From time to time to make, vary and repeal rules for the regulations of the business of the Company its Officers and employees. | To make rules. |
| | (23) To effect, make and enter into on behalf of the Company all transactions, agreements and other contracts within the scope of the business of the Company. | To effect contracts etc. |
| | (24) To apply for, promote and obtain any act, charter, privilege, concession, license, authorization, if any, Government, State or municipality, provisional order or license of any authority for enabling the Company to carry any of this objects into effect, or for extending and any of the powers of the Company or for effecting any modification of the Company's constitution, or for any other purpose, which may seem expedient and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the Company's interests. | To apply & obtain concessions licenses etc. |
| | (25) To pay and charge to the capital account of the Company any commission or interest lawfully payable there out under the provisions of Sections 40 of the Act and of the provisions contained in these presents. | To pay commissions or interest. |
| | (26) To redeem preference shares. | To redeem preference shares. |
| | (27) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or subjects which shall have any moral or other claim to support or aid by the Company, either by reason of locality or operation or of public and general utility or otherwise. | To assist charitable or benevolent institutions. |
| | (28) To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. (29) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 40 of the Act. | |
| | (30) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 181 of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise. | |
| | (31) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how. (32) To sell from time to time any Articles, materials, machinery, plants, stores and other Articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products. (33) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient. (34) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate. (35) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, | |

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| | <p>deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p> <p>(36) To let, sell or otherwise dispose of subject to the provisions of Section 180 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p> <p>(37) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>(38) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p> | |
| | MANAGING AND WHOLE-TIME DIRECTORS | |
| 145. | <p>a) Subject to the provisions of the Act and of these Articles, the Directors may from time to time in Board Meetings appoint one or more of their body to be a Managing Director or Managing Directors or whole-time Director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company, and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>b) The Managing Director or Managing Directors or whole-time Director or whole-time Directors so appointed shall be liable to retire by rotation. A Managing Director or Whole-time Director who is appointed as Director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole-time Director and such re-appointment as such Director shall not be deemed to constitute a break in his appointment as Managing Director or Whole-time Director.</p> | Powers to appoint Managing/ Whole-time Directors. |
| 146. | The remuneration of a Managing Director or a Whole-time Director (subject to the provisions of the Act and of these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors, and may be, by way of fixed salary, or commission on profits of the Company, or by participation in any such profits, or by any, or all of these modes. | Remuneration of Managing or Whole-time Director. |
| 147. | <p>(1) Subject to control, direction and supervision of the Board of Directors, the day-to-day management of the company will be in the hands of the Managing Director or Whole-time Director appointed in accordance with regulations of these Articles of Association with powers to the Directors to distribute such day-to-day management functions among such Directors and in any manner as may be directed by the Board.</p> <p>(2) The Directors may from time to time entrust to and confer upon the Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such objects and purposes, and upon such terms and conditions, and with such restrictions as they think expedient; and they may subject to the provisions of the Act and these Articles confer such powers, either collaterally with or to the exclusion of, and in substitution for, all or any of the powers of the Directors in that behalf, and may from time to time revoke, withdraw, alter or vary all or any such powers.</p> <p>(3) The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company and may exercise all the powers referred to in these Articles.</p> <p>(4) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p> <p>(5) Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p> | Powers and duties of Managing Director or Whole-time Director. |
| | CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER | |
| 148. | <p>a) Subject to the provisions of the Act,—</p> <p>i. A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial</p> | Board to appoint Chief Executive Officer/ Manager/ Company |

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| | <p>officer so appointed may be removed by means of a resolution of the Board;</p> <p>ii. A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.</p> <p>b) A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.</p> | Secretary/ Chief Financial Officer |
| | THE SEAL | |
| 149. | <p>(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.</p> <p>(b) The Company shall also be at liberty to have an Official Seal in accordance with of the Act, for use in any territory, district or place outside India.</p> | The seal, its custody and use. |
| 150. | The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence. | Deeds how executed. |
| | DIVIDEND AND RESERVES | |
| 151. | <p>(1) 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.</p> <p>(2) 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.</p> <p>(3) 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.</p> | Division of profits. |
| 152. | The Company in General Meeting may declare dividends, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting. | The company in General Meeting may declare Dividends. |
| 153. | <p>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 equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.</p> <p>b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p> | Transfer to reserves |
| 154. | 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. | Interim Dividend. |
| 155. | The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists. | Debts may be deducted. |
| 156. | No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this articles as paid on the share. | Capital paid up in advance not to earn dividend. |
| 157. | All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly. | Dividends in proportion to amount paid-up. |

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| 158. | The Board of Directors may retain the dividend payable upon shares in respect of which any person under Articles has become entitled to be a member, or any person under that Article is entitled to transfer, until such person becomes a member, in respect of such shares or shall duly transfer the same. | Retention of dividends until completion of transfer under Articles. |
| 159. | No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however, either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend payable to any member all such sums of money so due from him to the Company. | No Member to receive dividend whilst indebted to the company and the Company's right of reimbursement thereof. |
| 160. | A transfer of shares does not pass the right to any dividend declared thereon before the registration of the transfer. | Effect of transfer of shares. |
| 161. | Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share. | Dividend to joint holders. |
| 162. | a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. | Dividends how remitted. |
| 163. | 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. | Notice of dividend. |
| 164. | No unclaimed dividend shall be forfeited before the claim becomes barred by law and no unpaid dividend shall bear interest as against the Company. | No interest on Dividends. |
| CAPITALIZATION | | |
| 165. | (1) The Company in General Meeting may, upon the recommendation of the Board, resolve: (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards: (i) paying up any amounts for the time being unpaid on any shares held by such members respectively; (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or (iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii). (3) A Securities Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares. (4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation. | Capitalization. |
| 166. | (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall — (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid shares, if any, and (b) generally to do all acts and things required to give effect thereto. (2) The Board shall have full power - (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, in case of shares becoming distributable in fractions; and also (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 capitalization, or | Fractional Certificates. |

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| | <p>(as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such members.</p> <p>(4) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any questions or difficulties that may arise in regard to any issue including distribution of new equity shares and fractional certificates as they think fit.</p> | |
| 167. | <p>(1) The books containing the minutes of the proceedings of any General Meetings of the Company shall be open to inspection of members without charge on such days and during such business hours as may consistently with the provisions of Section 119 of the Act be determined by the Company in General Meeting and the members will also be entitled to be furnished with copies thereof on payment of regulated charges.</p> <p>(2) Any member of the Company shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of any minutes referred to in sub-clause (1) hereof on payment of Rs. 10 per page or any part thereof.</p> | Inspection of Minutes Books of General Meetings. |
| 168. | <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> | Inspection of Accounts |
| | FOREIGN REGISTER | |
| 169. | The Company may exercise the powers conferred on it by the provisions of the Act with regard to the keeping of Foreign Register of its Members or Debenture holders, and the Board may, subject to the provisions of the Act, make and vary such regulations as it may think fit in regard to the keeping of any such Registers. | Foreign Register. |
| | DOCUMENTS AND SERVICE OF NOTICES | |
| 170. | Any document or notice to be served or given by the Company be signed by a Director or such person duly authorised by the Board for such purpose and the signature may be written or printed or lithographed. | Signing of documents & notices to be served or given. |
| 171. | Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the company may be signed by a Director, the Manager, or Secretary or other Authorised Officer of the Company and need not be under the Common Seal of the Company. | Authentication of documents and proceedings. |
| | WINDING UP | |
| 172. | <p>Subject to the provisions of Chapter XX of the Act and rules made thereunder—</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 other securities whereon there is any liability.</p> | |
| | INDEMNITY | |
| 173. | <p>Subject to provisions of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection</p> | Directors' and others right to indemnity. |

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| | with any application under Section 463 of the Act on which relief is granted to him by the Court. | |
| 174. | Subject to the provisions of the Act, no Director, Managing Director or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Directors or Officer, or for joining in any receipt or other act for conformity, or for any loss or expense happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person, company or corporation, with whom any moneys, securities or effects shall be entrusted or deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss or damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty. | Not responsible for acts of others |
| | SECRECY | |
| 175. | (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained. | Secrecy |
| | (b) No member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties or the books of accounts of the Company without the permission of the Board of Directors of the Company for the time being or to require discovery of or any information in respect of any detail of the Company's trading or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Board it will be inexpedient in the interest of the Company to disclose or to communicate. | Access to property information etc. |

SECTION XIII: OTHER INFORMATION**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Prospectus will be delivered to the Registrar of Companies for filing and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated at Shop No. 39, Ground Level I, Dewan Centre, 183-186, S.V. Road, Jogeshwari West, Mumbai - 400102, Maharashtra, India from date of this Draft Red Herring Prospectus until the date of closing of the subscription list on all Working Days (Monday to Friday) from 10.00 a.m. to 5.00 p.m.

A. Material Contracts

1. Memorandum of Understanding dated January 28, 2023 between our Company and the Book Running Lead Manager.
2. Registrar to the Issue Agreement dated January 28, 2023 between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated January 28, 2023 between our Company, the Book Running Lead Manager and Underwriters.
4. Market Making Agreement dated January 28, 2023 between our Company, Book Running Lead Manager and Market Maker.
5. Banker to the Issue Agreement dated [●] between our Company, the Book Running Lead Manager, Banker to the Issue / Sponsor Bank and Registrar to the Issue.
6. Tripartite agreement between the National Securities Depository Limited, our Company and the Registrar dated November 25, 2022.
7. Tripartite agreement between the Central Depository Services (India) Limited, our Company and the Registrar November 30, 2022.

B. Material Documents

1. Certified true copies of the Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation dated March 22, 2017 issued by Registrar of Companies, Central Registration Centre.
3. Fresh Certificate of Incorporation dated December 13, 2022 issued by Registrar of Companies, Mumbai consequent to conversion to Public Limited Company
4. Resolution of the Board of Directors of our Company, passed at the Meeting of the Board of Directors held on December 15, 2022 in relation to the Issue.
5. Resolution of the Shareholders of our Company, passed at the Extra Ordinary General Meeting held with a shorter notice on December 20, 2022 relation to the Issue.
6. The Statement of Possible Tax Benefits dated February 17, 2023 issued by the Statutory Auditor included in this Draft Red Herring Prospectus.
7. Statutory Auditor's report for Restated Financials dated February 17, 2023 included in this Draft Red Herring Prospectus.
8. Consents of the Directors, Promoters, Chief Financial Officer, Statutory Auditor, Book Running Lead Manager to the Issue, Legal Advisor to the Issue, Registrar to the Issue, Underwriters to the Issue and Market Maker to the Issue to include their names in the Draft Red Herring Prospectus to act in their respective capacities.
9. Due Diligence Certificate dated [●] addressed to SEBI from Book Running Lead Manager.

10. Approval from BSE Limited vide letter dated [●] to use the name of BSE in the Draft Red Herring Prospectus for listing of Equity Shares on SME Platform of BSE Limited.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant provisions.

DECLARATION

We, certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Government of India or the regulations or guidelines issued by SEBI, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

| NAME AND DESIGNATION | SIGNATURE |
|---|------------------|
| MR. KHURSHEED ALAM <i>Managing Director</i> <i>DIN: 07349338</i> | <i>Sd/-</i> |
| MR. SHAKIR KHAN <i>Executive Director</i> <i>DIN: 07719992</i> | <i>Sd/-</i> |
| MR. MEHBOOB ALAM <i>Non- Executive Director</i> <i>DIN: 07620289</i> | <i>Sd/-</i> |
| MS. SONU DHARIWAL <i>Independent Director</i> <i>DIN: 05359013</i> | <i>Sd/-</i> |
| MR. RAJAN AGARWAL <i>Independent Director</i> <i>DIN: 01282739</i> | <i>Sd/-</i> |

SIGNED BY THE CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY & COMPLIANCE OFFICER OF OUR COMPANY*Sd/-*

MR. KHURSHEED ALAM
Chief Financial Officer
PAN: AGBPA6747R

Sd/-

MS. KIRAN TILWANI
Company Secretary & Compliance Officer
PAN: AVKPT4379E

Place: Mumbai**Date:** February 27, 2023

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY GRETEX CORPORATE SERVICES LIMITED

| Sr. No. | Issuer Name | Issue Size (Cr) | Issue Price (In ₹) | Listing Date | Opening Price on Listing Date | + / -% change in closing price, [+ / - % change in Closing benchmark] 30th calendar days from listing | + / -% change in closing price, [+ / - % change in Closing benchmark] 90th calendar days from listing | + / -% change in closing price, [+ / - % change in Closing benchmark] 180th calendar days from listing |
|---------|---|-----------------|--------------------|--------------------|-------------------------------|---|---|--|
| 1 | PlatinumOne Business Services Limited | 3.89 | 82.00 | September 16, 2021 | 99.95 | 144.42, [3.66] | 77.31, [-2.29] | 57.29, [-5.69] |
| 2 | Markolines Traffic Controls Limited | 39.99 | 78.00 | September 27, 2021 | 62.20 | 4.13, [1.77] | -9.65, [-4.92] | 14.24, [-4.52] |
| 3 | Clara Industries Limited | 3.02 | 43.00 | December 29, 2021 | 43.20 | 68.75, [-1.05] | 106.82, [0.24] | 127.84, [-8.04] |
| 4 | Goel Food Products Limited | 7.21 | 72.00 | June 28, 2022 | 75.00 | 12.70, [6.92] | 129, [7.46] | 116.51, [12.54] |
| 5 | Sailani Tours N Travels Limited | 1.90 | 15.00 | July 08, 2022 | 15.50 | 179.35, [7.17] | 264.17, [6.87] | 124.34, [11.34] |
| 6 | Jayant Infratech Limited | 6.19 | 67.00 | July 13, 2022 | 76.00 | 218.92, [11.12] | 538.03, [6.79] | 443.23, [13.52] |
| 7 | B-Right RealEstate Limited | 44.36 | 153.00 | July 13, 2022 | 155.00 | -5.19, [11.12] | -15.26, [-6.79] | 60.49, [13.52] |
| 8 | Shantidoot Infra Services Limited | 4.02 | 81.00 | September 19, 2022 | 105.00 | -24.26, [-0.31] | -28.26, [3.71] | N.A. |
| 9 | Steelman Telecom Limited | 26.02 | 96.00 | October 10, 2022 | 161.00 | 31.29, [5.25] | 0.21, [3.29] | N.A. |
| 10 | Reetech International Cargo and Courier Limited | 11.71 | 105.00 | October 10, 2022 | 82.00 | -0.78, [5.25] | -7.89, [3.29] | N.A. |

Sources: All share price data is from www.bseindia.com.

Note:

- The BSE SENSEX are considered as the Benchmark Index.
- Price on BSE are considered for all the above calculations.
- In case 30th, 90th and 180th day is not a trading day, the price / index of the immediately preceding working day has been considered.
- In case 30th, 90th and 180th day, scripts are not traded then the share price is taken of the immediately preceding trading day.

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Offers) managed by the Book Running Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the Book Running Lead Manager are provided.

SUMMARY STATEMENT OF DISCLOSURE

| Financial Year | Total no. of IPOs | Total Funds Raised ('in Cr.) | No. of IPOs trading at Discount-30 th calendar day from listing day | | | No. of IPOs trading at Premium-30 th calendar day from listing day | | | No. of IPOs trading at Discount-180 th calendar day from listing day | | | No. of IPOs trading at Premium-180 th calendar day from listing day | | |
|----------------|-------------------|------------------------------|--|-----------------|---------------|---|-----------------|---------------|---|-----------------|---------------|--|-----------------|---------------|
| | | | 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% |
| 2020-21 | *3 | 12.56 | -- | -- | -- | -- | -- | 3 | -- | -- | 1 | -- | -- | 2 |
| 2021-22 | **3 | 46.39 | -- | -- | -- | 2 | -- | 1 | -- | -- | -- | 2 | -- | 1 |
| 2022-23 | ***7\$ | 101.41 | -- | -- | 3 | 2 | 1 | 1 | -- | -- | -- | 4 | -- | -- |

Upto February 27, 2023

* The script with Listing date Billwin Industries Limited (June 30, 2020), G M Polyplast Limited (October 14, 2020) and Niks Technology Limited (March 31, 2021).

**The script with Listing date PlatinumOne Business Services Limited (September 16, 2021), Markolines Traffic Controls Limited (September 27, 2021) and Clara Industries Limited (December 29, 2021)

***The script with Listing date Goel Food Products Limited (June 28, 2022), Sailani Tours N Travels Limited (July 08, 2022), Jayant Infratech Limited (July 13, 2022), B-Right RealEstate Limited (July 13, 2022), Shantidoot Infra Services Limited (September 19, 2022), Steelman Telecom Limited (October 10, 2022) and Reetech International Cargo and Courier Limited (October 10, 2022).

\$ The scripts of Shantidoot Infra Services Limited, Steelman Telecom Limited and Reetech International Cargo and Courier Limited have not completed 180 Days from the date of listing .